Supreme Court of the United States,

OCTOBER TERM, 1907.

No. 136.

HERRING-HALL-MARVIN SAFE COMPANY, *Petitioner*,

vs.

HALL'S SAFE COMPANY, EDWARD C. HALL, WILLIAM H. HALL and CHARLES O. HALL.

On Writ of Certiorari to the United States Circuit Court of Appeals for the The Sixth Circuit.

BRIEF FOR THE PETITIONER.

STATEMENT OF THE CASE.

This is a bill in equity by Herring-Hall-Marvin Safe Company against The Hall's Safe Company, Edward C. Hall, William H. Hall and Charles O. Hall, to enjoin them from carrying on the safe business under the name Hall's Safe Company, or any name similar to that of the Hall's Safe & Lock Company, and from advertising their safes as "Hall Safes." The defendant, the Hall's Safe Company, filed a cross-bill to enjoin the plaintiff from using the name Hall's Safe & Lock Company and from holding itself out as

the successor of that company, or as making and selling "Hall Safes," and from advertising its product as "Hall Safes."

The circuit court entered a decree enjoining the defendants substantially as prayed in the bill, and dismissing the cross-bill. On appeal the circuit court of appeals reversed the decree, except in so far as it dismissed the cross-bill, and entered a decree dismissing the bill as against the individual defendants, and awarding an injunction against The Hall's Safe Company in terms so loose and general as to place it under practically no restrictions in using the name Hall's Safe Company, and in selling its product as "Hall's Safes."

The plaintiff is successor of Herring-Hall-Marvin Company, which bought the business and good-will of the Hall's Safe & Lock Company, as a going concern, in 1892. It was an old established business that had been founded by Joseph L. Hall in 1847, and had been carried on for a quarter of a century prior to the sale under the corporate name of Hall's Safe & Lock Company. It had the largest trade of any safe manufacturer in the United States, if not in the world, and its product was well and favorably known throughout the United States and in foreign countries as "Hall's Safes" and "Hall's Standard Safes."

The individual defendants were sons of Joseph L. Hall and officers and stockholders of the Hall's Safe & Lock Company. Edward C. succeeded his father as president on the death of the latter in 1889. William H. was vice-president and Charles O. assistant-superintendent. All became connected with Herring-Hall-Marvin Company, Edward C. as president and a member of the board of directors, William H. as treasurer and a member of the board, and Charles O. as an employe. They remained with it until 1896, when

they quit and organized the defendant corporation, The Hall's Safe Company. They adopted a name substantially the same as that of the concern whose good-will they had sold; called their product by the old trade-name, "Hall's Safes;" held themselves out in catalogues and advertisements as the old concern with a record of sixty years, and advertised their safes as "the old reliable Hall's Safes." We refer particularly to the following:

Exhibit 18, Defendant's catalog. R. 283-286.

Exhibit 19, Defendant's catalog. R. 287-290.

Exhibit 23, Advertisement in the Manufacturer and Exporter of May, 1904. R. 439.

Newspaper advertisements on pages 279, 280, 291 and 292, of the record.

The defendants claimed at the trial in the circuit court, in 1905, that they had withdrawn the most flagrant of these advertisements, after having used them for five years, but it will be noticed that they were repeated as late as March 13, 1904, in the placards displayed in the windows of their New York office (Photographs Exhibit 39 and 40, R. 451, 452), and in their advertisement in The Manufacturer and Exporter of May, 1904. R. 439.

ARGUMENT.

I.

"Halls Safes" was a trade-name of the old concern indicating the source of manufacture.

The safes made by the old concern were called "Hall's Safes," and advertised by that name. It was the short name for them in the trade; in other words, their trade-name. It did not denote a particular kind of safe, but the origin of manufacture. This is admitted by the answer which avers (R. 13),

"That all safes made by said Hall's Safe & Lock Company were marked with its corporate name and title, and were

known and spoken of as "Hall's Safes," not because they were so marked, but because the trade recognized that they were made by and under the supervision of the Halls father and sons up to the spring of 1889, when the said Joseph L. Hall died, and by the sons alone, from that time to May, 1892."

The defendant, William H. Hall, testified on cross-examination as follows (R. 178):

"X-Q. 111. What did the "Hall's Safe" mean in December, '91?

A. The "Hall's Safe" in December, '91, meant a safe manufactured by the Hall's Safe & Lock Company.

X-Q. 112. That was a well known term, was it?

A. Undoubtedly."

After saying that he presumed a safe made by Joseph L. Hall would also be called a "Hall's Safe," he testified (R. 178):

"X-Q. 115. What would be known as a "Hall's Safe" in June, '92?

A. What part of June?

X-Q. 116. Well, take the first of June?

A. Would be known as a safe made by the Hall's Safe & Lock Company.

X-Q. 117. The safes made by the Hall's Safe & Lock Company were widely advertised as "Hall's Safes," were they not?

A. Yes, spoken of as "Hall's Safes."

X-Q. 118. By the trade and by people generally, were they not?

A. Yes, sir.

X-Q. 119. And were so known and designated throughout the United States, were they not?

A. In talking of a safe, a Hall's Safe & Lock Company safe would be called a "Hall's Safe."

Having testified that the term "Hall's Safe," at the time of his deposition (1905), meant a safe manufactured by the

defendant, the Hall's Safe Company (R. 178), he said (R. 179):

"A. When the Hall's Safe & Lock Company went out of existence, they stopped manufacturing "Hall's Safes," so there were no more "Hall's Safes" turned out.

X-Q. 124. But there are hundreds of thousands of those safes in existence, are there not, made by the Hall's Safe & Lock Company?

A. Yes, sir.

X-Q. 125. And they continued to be known as "Hall's Safes"?

A. Yes, those that were out.

X-Q. 126. Then on the 16th day of June, if anybody spoke of a "Hall's Safe," you would understand that they referred to a safe made by the Hall Safe & Lock Company?

A. By the old company.

X-Q. 127. Now, when was it that a "Hall's Safe" came to be known as a safe made by Hall's Safe Company?

A. After the Hall's Safe Company began making their safes they were known as "Hall's Safes" among our dealers.

X-Q. 128. What date do you fix that in?

A. Well, during the year '97.

X-Q. 129. Then up to that date in 1897, the precise day of which you are not able to tell us, "Hall's Safes" indicated a safe that had been made by the Hall's Safe & Lock Company?

A. Yes, sir.

X-Q. 130. And the day after you began to make safes, a "Hall's Safe" meant a safe made by the Hall's Safe Company of Cincinnati; is that it?

A. Yes, sir."

The extent to which "Hall's Safes" was used by the old concern and by the public as a short designation for its product is shown by the following exhibits:

Exhibit No. 11. R. 414. Photograph showing large sign "Hall's Safes" across the front of the office at Louisville, Ky., and "Hall's Safe" on the safe in front of the office.

Exhibit No. 12. R. 415. Photograph of a float displayed at an exposition in Minneapolis. Two burglars are represented as trying to open a safe; they drop their tools, saying; "Lets give up Jim, its a Hall." The words indistinct on the photograph are given at page 127. On the top of the float is a safe labeled "Hall's Safe."

Exhibit No. 16. R. 416. Card of the old concern with the words "Hall's Safes" prominently displayed.

Exhibit No. 17. R. 417. Printed catalog, containing testimonials from public officers as to the merits of "Hall's Safes." The commissioners of Hamilton County, Ohio, referring to the destruction of their court house by fire and riot in 1884, say that they "have provided other Hall's Safes for the temporary offices of the county," and that "when police and engines and the militia of the state were powerless to avert the catastrophe, those silent, dumb custodians known as "Hall's Safes" performed their duty and did it well." R. 422.

The county treasurer wrote that he "found a large Hall's Safe in the court house yard that had gone through the fire" and he "bought another Hall." R. 422.

The ex-sheriff gave the following testimonial, in which "Hall's Safes" are referred to as safes "furnished by the Hall's Safe & Lock Company." R. 423:

Cincinnati, March 16, 1885.

"Hall's Safe & Lock Company,

Gentlemen: Word having come to me that a report is in circulation that I made a statement in writing, while sheriff of Hamilton County, to the effect that the safe used in my office had failed preserve the contents during the court house fire, and that said safe was of the Hall make, I wish to contradict the statement and deny that I ever made it, and besides, the safe then used was not furnished

by the Hall's Safe & Lock Company. The Hall's Safes used in the court house at the time did, to my knowledge, preserve everything claimed therein.

Morton L. Hawkins, Ex-Sheriff."

A testimonial follows as to "the superior fire-proof qualities of the Hall Standard Safes" displayed in the great fire in Cleveland, and of "Hall's Safes" in the burning of Chicago. R. 423.

Exhibit No. 22½. R. 438. Photograph of safe bearing words "Hall's South American Safe" and "Hall's Safe & Lock Co."

Also the following cards and advertisements used by the Hall Safe & Lock Company.

R. 444, 445. "Unparalled record of Hall's Safes. 119 Hall's Standard Safes."

R. 445. "Hall's Standard Safes" in the great Seattle fire.

R. 447. "Hall's never-robbed, dove-tailed, burglar-proof safes."

R. 469. "Hall's Safes." "Hall's Fire-proof Safes." "Over 300,000 Hall's Safes in Use."

R. 470. "Hall's Safes protect more wealth than all others combined."

R. 471. "Hall's Safes are the best."

II.

The trade name passed to the purchaser as part of the good-will of the old concern.

The deed of Hall's Safe & Lock Company to the promoters of Herring-Hall-Marvin Company, dated May 12, 1892, is found at pages 92-95 of the record. It conveys:

"All and singular its manufacturing plant, machinery, tools, patterns, buildings, fixtures, leasehold interests, stocks of safes and other merchandise, material, manu-

factured, unmanufactured and in process of manufacture, horses, wagons, vehicles, cartage plant and rigging, bills receivable, book accounts, moneys, debts, dues, books of account and other books, papers, office furniture, trade-marks, patent-rights, trade-rights, good-will, and all its property and assets of every name and nature, wheresoever situated, as the same exist at the time of the delivery of these presents."

The deed contains the following clause:

"It is hereby expressly understood, covenanted and agreed that the business of Hall's Safe & Lock Company is purchased and taken over by the parties of the second part in all respects as a going concern."

It is well settled that trade-marks and trade-names pass under such a sale and conveyance. Sebastian on Trade-Marks (4th Ed.) 308, citing many cases, says:

"And if the good-will is sold the trade-name goes with it."

The question in the case of Menendez vs. Holt, 128 U. S. 514, was whether the plaintiff firm of Holt & Co. had the exclusive right to use one of its trade-marks, "La Favorita" as against S. O. Ryder, a partner who had retired. The Chief Justice, after stating that the defendants claimed that "Ryder, upon leaving the firm, took with him his share of the good-will of the business and consequently of the trade-marks," said:

"It may be that where a firm is dissolved and ceases to exist under the old name, each of the former partners would be allowed to obtain 'his share' in the good-will so far as that might consist in the use of trade-marks, by continuing such use in the absence of stipulation to the contrary; but when a partner retires from a firm assenting to or acquiescing in the retention by the other partners of the old place of business, and the future conduct of the business by them under the old name, the good-will remains with the latter, as of course."

The decision is thus summarized by Mr. Justice Brown in Brown Chemical Company vs. Meyer, 139 U. S. 540, 548:

"So in Menendez vs. Holt, 128 U. S. 514, it was held that when a partner retires from a firm, assenting to, or acquiescing in the retention by the other partners of the old place of business, and the future conduct of the business by them under the old name, the good-will remains with the latter, as of course, and that, under such circumstances, the right to use a trade-mark passes to the remaining partners as a part of such good-will. There are a few cases indicating that the mere right to use a name is not assignable, notably Chadwick vs. Covell, 151 Mass. 190, but none that it may not be assigned to an outgoing partner or to a successor in business as an incident to its good-will. Ainsworth vs. Walmesley, L. R. 1 Eq. 518; Derringer vs. Plate, 29 California, 292."

In Brown Chemical Co. vs. Meyer, 139 U. S. 540, the firm of Brown & Lincoln sold a preparation which they called Brown's Iron Tonic. Brown sold out his interest in the firm to Lincoln, who continued to use the name. The court held that the plaintiff could not "question the right of Brown to transfer his interest in the business, and to include in such transfer the right to the use of his name in connection with the preparation of the tonic, as part of the good-will of the business," p. 547.

In Le Page Co. vs. Russia Cement Co., 51 Fed. 941, 943 (C. C. A. 1st Cir., Mr. Justice Gray sitting), the court said:

"It is equitable that a manufacturer or dealer, who has given reputation to any article, should have the privilege of realizing the fruits of his labors by transmitting his business and establishment, with the reputation which has attached to them, or his decease to his legatees or executors, or during his lifetime to purchasers; and it is also in accordance with the principles of law, and with justice to the community, that any trade-mark, including a surname, may be sold with the business or the establishment to which it is incident; because,

while it may be that individual efforts give them their value at the outset, yet, afterwards, this is ordinarily made permanent as a part of the entire organization, or appurtenant to the locality in which the business is established, and thenceforward depends less on the individual efforts of the originator than on the combined result of all which he created. Kidd vs. Johnson, 100 U. S. 617; Chemical Co. vs. Meyer, 139 U. S. 540; Hoxie vs. Chaney, 143 Mass. 592; Cement Co. vs. LePage, 147 Mass. 206."

The court, adopting the words of the supreme court of Massachusetts in the litigation between the same parties (147 Mass. 206), said:

"Trade-marks, good-will, or rights to use the names of individuals, become, when sold, the property of the person to whom transferred, and do not thereafterwards rest on mere contract; and, without any specification in the instrument of transfer, and merely as inherent to the essential rights of property, they must, with all their incidents, be protected by the courts in the hands of the transferee against all assaults and artifices."

In Russia Cement Company vs. LePage, 147 Mass. 206, the court also said:

"A name used as an adjective of description is not necessarily understood by the public as any assertion that the person whose name is used is the maker of the article. One who has carried on a business under a trade-name, and sold a particular article in such a manner by the use of his name as a trade-mark or a trade-name as to cause the business or the article to become known or established in favor under such name, may sell or assign such trade-name or trade-mark when he sells the business or manufacture, and by such sale or assignment conclude himself from the further use of it in a similar way."

III.

The defendants were not entitled to appropriate the good-will of the old concern by carrying on business under a corporate title substantially the same, and by calling their product "Halls Safes."

In Menendez vs. Holt, 128 U. S. 514, 521, 522, Mr. Chief Justice Fuller said:

"Good-will was defined by Lord Eldon, in Cruttwell vs. Lye, 17 Ves. 335, 346, to be 'nothing more than the probability that the old customers will resort to the old place'; but Vice Chancellor Wood, in Churton vs. Douglas, Johnson, V. C. 174, 188, says it would be taking too narrow a view of what is there laid down by Lord Eldon, to confine it to that, but that it must mean every positive advantage that has been acquired by the old firm in the progress of its business, whether connected with the premises in which the business was previously carried on, or with the name of the late firm, or with any other matter carrying with it the benefit of the business."

In Russia Cement Company vs. Le Page, 147 Mass. 206, the defendant and one Brooks had been engaged in the business of making glue which they put on the market and sold as "Le Page's Liquid Glue." In 1882 they formed the plaintiff corporation, to which they sold their business, and which continued the manufacture of glues under the same name. The sale included the right to use the trade-marks belonging to or in use by the partnership. The defendant was a member of the corporation and a director thereof until 1886, when he left it, and shortly thereafter engaged in the manufacture and sale of glue at Gloucester, where the plaintiff's business was carried on, using the name "Le-Page's Improved Liquid Glue," to advertise the article produced by him. The court said:

"When Le Page (with Brooks) sold to the corporation and when he left the corporation, it must be held that the

name 'Le Page's Liquid Glue' was a trade-name or trade-mark, and it is not important which term is used, indicating the liquid glue which the plaintiff was manufacturing. The right to use it as such was necessarily an exclusive use, as it was intended thus to distinguish plaintiff's goods from those of others."

And the defendant was enjoined,

"from using the words 'LePage's Improved Liquid Glue' or 'Le Page's Liquid Glue' to describe the article manufactured by him, and from describing the company, under whose name he conducts his business, as 'LePage's Liquid Glue Company,' whether with or without any addition thereto."

The decision was followed in LePage Company vs. Russia Cement Company, 51 Fed. 941, in the circuit court of appeals for the first circuit, Mr. Justice Gray sitting, being an action by the Russia Cement Company against The LePage Glue Company to recover damages for the wrongful use of the name "LePage" in connection with glues manufactured by the defendant.

The decision in Hoxie vs. Chaney, 143 Mass. 592, is thus stated by the court in Russia Cement Company vs. LePage, 147 Mass. 206:

"It was there held that 'A. N. Hoxie's Mineral Soap,' and 'A. N. Hoxie's Pumice Soap,' were trade-marks, and assignable as such, and that they did not necessarily mean that the soaps were made by A. N. Hoxie. Where one who had adopted these trade-marks, or, more properly, trade-names, for his manufacture, entered into a partnership with another under articles by which he contributed the good-will of the business he was carrying on, with the tools, implements, and fixtures, and on the dissolution of this partnership conveyed to his partner 'all my right, title, and interest in and to all and singular the partnership property belonging to the firm, meaning hereby to sell and convey all my interest in the entire assets of the firm,' it was

further held that these trade-names became, by the articles of co-partnership, a part of the property of the firm, and that the right to use them as such passed by the bill of sale, and that the partner so conveying had parted with his own right so to do."

In Chas. S. Higgins Company vs. Higgins Soap Company, 144 N. Y. 462, the defendant was enjoined from carrying on the soap business in its corporate name. In 1890 the plaintiff corporation, organized by Charles S. Higgins and others, purchased from him and his partner the soap business originally established by the father of Charles S. Higgins, in 1846, to which business Charles S. Higgins succeeded on the death of his father in 1860, together with the good-will, labels, trade-marks, and other property employed in the business. The plaintiff and its predecessors manufactured a great variety of soaps, all of which passed under the general name of "Higgins' Soap," and the plaintiff corporation, although the word Soap was not part of its corporate title, was sometimes known as the "Higgins Soap Company." On its organization and acquisition of the old business Charles S. Higgins became its first president, and so continued for a year, when he was displaced. Soon afterwards, in the summer of 1892, he, with his wife, his son, and two other persons, organized the defendant corporation under the name of the "Higgins Soap Company."

The lower court refused an injunction on the ground "that Charles S. Higgins or the members of his family, either separately or jointly, had the right to establish the soap business, and to use the name of Higgins in conducting it, and to designate the product as 'Higgins Soap,' and that no right of the plaintiff was invaded by giving to the corporation formed by them the name of 'Higgins Soap Company.'" The court of appeals reversed the judgment and directed an injunction. Andrews, C. J., said:

"It can not be doubted upon the findings that the reputation of 'Higgins Soap,' when the defendant corporation was organized, applied to, and designated to the trade, the soap manufactured by the plaintiff and its predecessors. The promoters of the defendant, knowing the history of the business established by Higgins, Sr., in 1846, its transfer to the plaintiff, that the product was known to the trade as 'Higgins Soap,' that the business had become very valuable, and that large sums had been expended in advertising it, proceeded to organize the defendant corporation under the name of the 'Higgins Soap Company,' and to manufacture soap in the same city where the plaintiff's business was carried on. The inference seems irresistible that the defendant assumed its corporate name so that it should carry the impression that it was the manufacturer of 'Higgins Soap,' so well known to the public."

In Dodge Stationery Company vs. Dodge et al., 145 Cal. 380, the defendant corporation, the "J. S. Dodge Company," was enjoined from carrying on the stationery business in its corporate name, and J. S. Dodge was enjoined from carrying on that business in "the city and county of San Francisco, under the simple designation 'Dodge' or 'Dodge's,' or with signs containing those words alone, without a qualifying statement to the effect that the business so carried on is not the business heretofore carried on by plaintiff under the name 'Dodge's' at No. 112 Post Street and No. 123 Grant Avenue, and from in any manner representing that any such business carried on by him is the same business heretofore carried on by plaintiff, or from in any way designating such business simply 'Dodge' or 'Dodge's'."

The defendant, J. S. Dodge, had been one of the incorporators of the plaintiff, which was organized in 1894, and was its first president and general manager until September, 1900, when he sold his stock and retired. Within a few months thereafter he, with four others, organized the defendant corporation under the name of the "J. S. Dodge

Company," and started the stationery business in a store close to that of the old concern. They displayed signs containing simply the word "Dodge" in large letters and a marble slab in the side-walk in front of the store containing simply the words "Dodge, Stationer." The court awarded the injunction, not on the ground of any contractual obligation on the part of Dodge to the plaintiff, but on the ground that the plaintiff's trade-name and good-will had been unlawfully invaded. The court said:

"The question, then, is as to whether, upon these facts, plaintiff was entitled to any relief, and, if so, the extent thereof. This action is not based upon the theory that by the sale of his stock in plaintiff corporation there was any transfer by defendant Dodge of the good-will of the business or of any good-will. The vendor of stock in a corporation has no vendible interest in the good-will of the business carried on by the corporation, and can not transfer any part thereof. The good-will of a business conducted by a corporation is the property of the corporation alone, and can be transferred only by it. It is not claimed, therefore, that Dodge, by the sale of his stock, contracted not to engage in the stationery business. * * * Admittedly, defendant Dodge, having terminated his connection with plaintiff, had the right to engage, whenever and wherever he saw fit so to do, in the same character of business as that carried on by plaintiff. Nor is the action based upon the claim of any proprietary interest in the name 'Dodge's' or 'Dodge.' The basis of plaintiff's action is that defendants are attempting by fraudulent representations, to the effect that plaintiff's business is defendant's business, to appropriate the benefit of the good-will of plaintiff's established business."

In Holmes, Booth & Haydens vs. The Holmes, Booth & Atwood Manufacturing Company, 37 Conn. 278, the respondent corporation was enjoined from carrying on business in its corporate name or in any name in imitation of that of the petitioners. The plaintiff was organized in 1853, the corporate title being made up of the names of Israel

Holmes, John C. Booth, Henry H. Hayden and James A. Hayden, who were four of the five original stock-holders. In 1868 Israel Holmes, who was president, and John C. Booth, who was secretary of the petitioner, resigned. Shortly thereafter they and Atwood, who was in petitioners' service as superintendent of one of its departments, organized the respondent corporation under the name of "The Holmes, Booth & Atwood Manufacturing Company," for the purpose of carrying on the same kind of business as the petitioners. The court found (p. 281) that "by reason of the similarity of the names of the two companies confusion has resulted in their correspondence, and letters of important and confidential character, intended for one company, have, in consequence either of mistake in the address on the part of the writer, or of delivery on the part of the post office, been received and read by the other. Miscarriage of goods has also, to some extent, for the same reason occurred. And by reason of this similarity dealers in the market are likely to be confused and misled into the belief that the companies are the same."

In ordering an injunction the court said (p. 294):

"We do not wish to be understood as deciding that the respondents may not, in any legitimate way, indicate to the trade that their business had the benefit of the experience, skill and reputation of these gentlemen. But the simple question is, have they a right to do it by a substantial use of the petitioners' name."

In Myers vs. Kalamazoo Buggy Company, 54 Mich. 215, plaintiff had acquired "the property, money, assets and goodwill" of a firm which carried on business under the name of the Kalamazoo Wagon Company. Subsequently one of the members of the firm and others organized a corporation under the name of the Kalamazoo Buggy Company. The court enjoined them "from conducting the business

of manufacturing carriages, wagons, buggies and cutters under the name of the Kalamazoo Buggy Company, either as designating a corporation or other business association of said defendants, and from issuing and distributing circulars and business cards under that name, and from soliciting custom by the agency of traveling salesmen or otherwise from the customers of the firm known as the Kalamazoo Wagon Company who were the customers of this firm on the fifth day of April, 1883, in any manner, under the name of the Kalamazoo Buggy Company." The defendants in their answer denied that they selected the name Kalamazoo Buggy Company to injure the Kalamazoo Wagon Company, or its good-will, and insisted that they selected the name because it correctly represented their business and the village in which they were located, and denied that complainant had been at all injured by the use of such name, or the good-will of its business impaired.

Cooley, C. J., in delivering the opinion of the court, said, p. 548:

"We are satisfied that the circuit judge was right in his conclusion that the complainant has suffered serious wrong at the hands of these defendants. He purchased of Lane and his wife for a consideration, the adequacy of which is not disputed, all their interest 'in the property, assets, money, good-will, and all other property, of every name and nature, in and to the firm of the Kalamazoo Wagon Company,' and he was entitled to be put in possession of what he bought. The good-will was a substantial part of the purchase, and purposely to take any steps to prevent his receiving the benefit of it was a wrong of the same nature as would have been the retention of some portion of tangible property belonging to the stock of the company. This good-will is to be found in the probability that the old customers of the establishment, whose dealings with it have been satisfactory to them, will continue their custom and commend it to others; and if those customers were to be invited and enticed away from the old

establishment, and especially if they were to be deceived into dealing with a new establishment under the belief that it was the old, the value of the business thus lost would be so much taken from the value of the good-will which had been bought and paid for; and the invitation, enticement, or deception that caused the loss would constitute a wrongful appropriation of property."

In Smith vs. Brand & Co. 58 Atl. (N. J.) 1029, which was an action by a retiring partner against the purchaser of the old firm's assets, good-will, etc., to restrain him from using the old firm name, "Brand & Smith," the court, after holding that the old firm name passed by the conveyance of the good-will, said, p. 1030:

"The trade name of 'Brand & Smith' was a valuable asset of that firm; it was conveyed to the purchaser and present holder by this complainant and his partner, and the right to conduct the business under that name became the exclusive property of the purchaser; and certainly the complainant, having joined in the sale of the good-will, and received and appropriated the proceeds of a part of that sale, ought not now to be permitted to complain that the purchaser is using what he bought and paid for in the only way in which he can make such purchase available."

In Trego vs. Hunt (1896), App. Cas. 7, the House of Lords held that the vendors of a business with its good-will are not entitled to solicit especially the customers of the old concern, or to do anything which will weaken their habit of dealing with the old concern. They approved LaBouchere vs. Dawson, L. R. 13 Eq. Cas. 322, where the vendor of good-will was restrained "from in any way endeavoring to obtain the custom of such of the customers of the plaintiff as were customers of the old concern, or from attempting to take away any portion of the business bought by the plaintiff." They held that there is "an implied contract to abstain from doing any act intended to deprive the purchaser of that which has been sold to him, and to restore it to the vendor."

In Duryea vs. National Starch Mfg. Co., 79 Fed. 651, cited by respondents, the court, at p. 652, said:

"It can not be denied that, by continuous and rightful use for forty years, the name of 'Duryea's Starch' had become identified with its 'source of manufacture,' and that an attempt by persons of the name of 'Duryea,' or of any other name, to put upon the market their own product, under the name of 'Duryea's Starch,' could be suppressed."

The court refused on injunction, because the defendant did not use the trade name of the old concern "Duryea's Starch."

In Howe Scale Company vs. Wyckoff, Seamans, & Benedict, 198 U. S. 118, cited by respondents, the Remington-Sholes Typewriter Company, whose machines the defendant, the Howe Scale Company, sold, was organized by Franklin Remington, Carver Remington and Z. G. Sholes. None of them ever had any interest in E. Remington & Sons, whose typewriter business had been acquired by the plaintiff, Wyckoff, Seamans & Benedict. Franklin Remington and Carver Remington were not children of E. Remington, who died in 1863, but of Samuel Remington (pp. 121, 122). The opinion states "that neither of them was paid for the use of his name, and neither had parted with the right to that use," p. 140. Nor was there any attempt by the defendants to use improperly the business title and trade name of the plaintiff. On the contrary the defendant company widely advertised that its machine was not the "Remington Standard Typewriter," and its catalogue declared: "We state, then, emphatically that this company has no connection whatever with that well-known and excellent machine, the Remington Standard Typewriter, and caution possible customers against confusing the 'Remo-Sho,' with that machine or any other," p. 124.

IV.

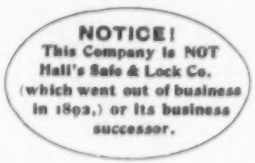
The Injunction awarded by the court of appeals is inadequate on any theory of the plaintiff's rights.

It is in the following terms. R. 515, 516:

"The defendant, the Hall's Safe Company, its servants, agents, officers and employees are perpetually enjoined from carrying on the safe or vault business in the name of the Hall's Safe Company or any other name having similarity to the name Hall's Safe & Lock Company, without also giving information to the public that it is not the business formerly carried on by the Hall's Safe & Lock Company; and from marking, advertising or otherwise designating its safes and vaults as the products of the Hall's Safe & Lock Company, or its successors in business, or pretending that it is carrying on the business started by Joseph Hall and continued by the Hall's Safe & Lock Company, and from interfering in any manner with the exclusive right of the complainant to possess and enjoy the good-will acquired by the Hall's Safe & Lock Company, and from using the trade-name of said last named company without at the same time so qualifying such trade-name as to show that the trade-name used is not the one formerly used to designate the products of the Hall's Safe & Lock Company."

The injunction was awarded on the theory that the plaintiff's title to the good-will of Hall's Safe & Lock Company, and its right to use the trade name, "Hall's Safes," is subject to the right of the defendants to use their family name honestly; but even on that assumption the decree affords no adequate protection to the plaintiff. It allows the defendants to carry on business in the name of Hall's Safe Company, or any other name having similarity to that of the old concern, provided they give information to the public that it is not the business formerly carried on by the old concern. How or when or in what manner they are to give the information is not specified. The information is not required to accompany the use of the name; and the

defendant, therefore, since the decree has used and now uses the name "Hall's Safe Company" on signs, on its safes, and in advertisements, without any *accompanying* notice "that it is not the business formerly carried on by the Hall's Safe & Lock Company." When they give any notice on that subject at all it is in the following form, printed in red ink on their letter-heads and envelopes:



The notice in that form was of course adopted for the purpose of depriving the plaintiff, as far as possible, of the good-will of the old concern.

The injunction against "marking, advertising or otherwise designating its safes and vaults as the products of the Hall's Safe & Lock Company" is not understood by the defendants as enjoining them from advertising their safes as "Hall's Safes," or from marking them merely with the words "The Hall's Safe Co., Cincinnati," or "Manufactured by The Hall's Safe Company, Cincinnati," which they continue to do.

The injunction against "using the trade-name of the Hall's Safe & Lock Company without at the same time so qualifying such trade-name as to show that the trade-name used is not the one formerly used to designate the products of the Hall's Safe & Lock Company" is too indefinite to be understood by the defendants as requiring anything, or to be capable of enforcement against them. It does not specify what trade-name is intended, or, assuming that "Hall's Safes" is meant, what qualification thereof is required.

The injunction against "interfering in any manner with the exclusive right of the complainant to possess and enjoy the good-will acquired by the Hall's Safe & Lock Company" is a glittering generality.

An injunction should be definate and specific. In Swift & Company vs. United States, 196 U. S. 375, 401, Mr. Justice Holmes said:

"The general words of the injunction 'or by any other method or device, the purpose and effect of which is to restrain commerce as aforesaid,' should be stricken out. The defendant ought to be informed as accurately as the case permits what they are forbidden to do. Specific devices are mentioned in the bill, and they stand prohibited. The words quoted are a sweeping injunction to obey the law, and are open to the objection which we stated at the beginning, that it was our duty to avoid."

The same objection to an indefinite injunction was pointed out by Mr. Justice White in New York, New Haven & Hartford Railroad Company vs. Interstate Commerce Commission, 200 U. S. 361, 404.

In Singer Manufacturing Company vs. June Manufacturing Company, 163 U. S. 169, 204, the defendant was enjoined "from using the word 'Singer' or any equivalent thereto, in advertisements in relation to sewing machines, without *clearly and unmistakably stating in all said advertisements* that the machines are made by the defendant, as distinguished from the sewing machines made by the Singer Manufacturing Company," and "from marking upon sewing machines or upon any plate or device connected therewith or attached thereto the word 'Singer,' or words or letters equivalent thereto, without *clearly and unmistakably specifying in connection therewith* that such machines are the product of the defendant or other manufacturer, and therefore not the product of the Singer Manufacturing Company."

In Dodge Stationery Company vs. Dodge et al., 145 Cal. 380, the court required the use of the name to be accompanied, in every instance, by an express and conspicuous statement that the business was not the business theretofore carried on by the plaintiff.

In Singer Manufacturing Company vs. June Manufacturing Company, 163 U. S. 169, 188, Mr. Justice White said:

"Where the name is one which has previously thereto come to indicate the source of manufacture of particular devices, the use of such name by another, unaccompanied with any precaution or indication, in itself amounts to an artifice calculated to produce the deception alluded to in the foregoing adjudications."

To permit the defendants to use the trade name "Hall's Safes," coupled with the statement that the safes are made by the Hall's Safe Company, only aggravates the infringement, for Hall's Safe Company is substantially the name of the old concern, and the whole statement amounts to a representation that the defendants sell "Hall's Safes," made by the old concern.

V.

The plaintiff was entitled to an injunction against the individual defendants.

It was they who organized the defendant corporation and directed the infringement of the plaintiff's rights as owner of the good-will of the old concern, and the plaintiff was entitled to an injunction against them. They were the real actors and in any view joint tort-feasors. Under the decree of the court of appeals they are left free to form another corporation with the same name, or to organize a firm under that or a similar name. They are the real claimants, and the plaintiff's rights should be adjudicated as

against them in this case, and not be left open to future litigation. We respectfully submit that the court of appeals erred in dismissing the bill as against them.

VI.

The cross-bill was properly dismissed.

The court of appeals said (R. 516):

"In respect to the matter of the cross-bill, we think there is no substantial ground for complaint. For the reasons stated in the preceding opinion we are not prepared to say that the complainant in the original bill has exceeded its rights in endeavoring to maintain the benefits of its purchase from the Hall Safe & Lock Company."

The claim that the plaintiff was not entitled to a decree on its bill because it had been guilty of false representations, and that the defendant was entitled to a decree on its cross-bill, is based upon the erroneous assumption that the plaintiff did not acquire the right to use the old name in connection with the business which it purchased. Goodwill or a trade-mark or a trade-name may not be sold by itself, but it may be transferred in connection with the sale of a plant, and it is no fraud on the public for the purchaser to use the old name or mark.

In Brown Chemical Co. vs. Meyer, 139 U. S. 540, 548, the court sustained the right of Lincoln, who had purchased Brown's interest in Brown's Iron Tonic, to continue to use that name. It was claimed that Brown "could not transfer such right to a person of a different name, and thereby authorize the latter to make use of it," because it would be a fraud on the public. Mr. Justice Brown, in overruling this contention, said:

"There are a few cases indicating that the mere right to use a name is not assignable, notably Chadwick vs. Covell, 151 Mass. 190, but none that it may not be assigned to (by)

an outgoing partner or to a successor in business as an incident to its good-will. Ainsworth vs. Walmesley, L. R. 1 Eq. 518; Derringer vs. Plate, 29 Cal. 292."

To the same effect are:

Menendez vs. Holt, 128 U. S. 514.

Kidd vs. Johnson, 100 U. S. 617.

Richmond Nervine Company vs. Richmond, 159 U. S. 293, 302.

The only limitation upon the right of one who has purchased the good-will of a business to use the name of the former owner is "that he must not exercise that right so as to expose the assignor to any liability by holding him out to be the real owner of the business. That is the only limit of the defendant's right to use the plaintiff's name." Thynne vs. Shove, 45 Ch. D. 577, at page 580.

The defendants say that the plaintiff has not the right to use the title Hall's Safe & Lock Company because it may expose them to liability as stockholders of that company. But the plaintiff does not use the title Hall's Safe & Lock Company in making contracts, and the individual defendants are not in fact stockholders in any Hall's Safe & Lock Company and incur no liability, as stockholders or otherwise, on account of any use plaintiff makes of that name.

In Levy vs. Walker, 10 Ch. D. 436, Miss Charbonnel and Miss Walker carried on business in partnership in London under the name of Charbonnel and Walker. Miss Charbonnel married Levy, and the business and good-will were purchased by Miss Walker, who continued the business under the name of Charbonnel and Walker, as before. Mr. and Mrs. Levy sought an injunction to prevent Miss Walker from using the name Charbonnel and Walker. Jessel, M. R., refusing the injunction, said, p. 447:

"The plaintiffs are under no liability by reason of Miss Walker so carrying on the business. Plaintiffs are not actual

partners in the firm of Charbonnel and Walker. The dissolution decreed by the court has been duly advertised, and no person dealing with Miss Walker for the first time can make Mr. or Mrs. Lævy liable."

From 1895 on Herring-Hall-Marvin Company, with the knowledge and consent of defendants, and while they were directors of the company, used "Hall's Safe & Lock Works" as a title, painting it in large letters on the factory buildings and printing it on all letter-heads, bill-heads, etc., and in every way advertising "Herring-Hall-Marvin Company, successors to Hall's Safe & Lock Co., operating Hall's Safe & Lock Works."

The value and persistence of the name is illustrated by the fact, that notwithstanding the lapse of twelve years, letters were received every day addressed to Hall's Safe & Lock Co. If there were occasional miscarriages of letters intended for the appellants they have only themselves to blame, in having wrongfully adopted a title substantially the same as that of the old concern.

Conclusion.

If "Hall's Safes" was a trade-name indicating the source of manufacture, and was sold to plaintiff's predecessor, the right acquired was necessarily exclusive.

In Russia Cement Company vs. LePage, 147 Mass. 206, 211, the court said:

"When Le Page, with Brooks, sold to the corporation, and when he left the corporation, it must be held that the name 'Le Page's Liquid Glue' was a trade-name or trade-mark, and it is not important which term is used, indicating the liquid glue which the plaintiff was manufacturing. *The right to use it as such was necessarily an exclusive use, as it was intended thus to distinguish the plaintiff's goods from those of others.*"

In the case between the same parties in the United States circuit court of appeals for the first circuit, Mr. Justice Gray sitting, the court in speaking of the right which the purchaser of the assets and good-will of the former business acquired, said (51 Fed. 945):

"The essential thing is its right to inform the public that it is in the exclusive possession of all the advantages coming to it as the legitimate successor of the original formulator of 'Le Page's Glue,' and is alone entitled to put on the market that product, supposed to be composed or manufactured with special skill, and known to come from the original and long established concern."

In Levy vs. Walker, 10 Ch. D. 436, 449, James, L. J., delivering the opinion of the court of appeals, said:

"I think it right to say that a sale of the good-will and business conveyed the right to the use of the partnership name as a description of the articles sold in that trade, and that that right is an exclusive right as against the person who sold it and an exclusive right as against all the world, so that no other person could represent himself as carrying on the same business."

In Kidd vs. Johnson, 100 U. S. 617, 619, Mr. Justice Field, in sustaining the title of purchasers of a trade-mark, said:

"*Such use to be of any value, must necessarily be exclusive.* If others also could use it, the trade-mark would be of no service in distinguishing the whiskey of the manufacture in Cincinnati; and thus the company would lose all the benefit arising from the reputation the whiskey there manufactured had acquired in the market."

We respectfully submit that the decree of the court of appeals should be reversed, and that an injunction should be awarded adequately protecting the plaintiff in the enjoyment of the good-will which its predecessor purchased, and

in the use of the trade-name of the old concern, and that a reference should de directed to take an account of damages.

LAWRENCE MAXWELL, Jr.,
Counsel for Petitioner.

CHARLES H. ALDRICH,
Of Counsel.

Office Supreme Court, U.
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Supreme Court of the United States.

OCTOBER TERM—1906.

HERRING-HALL-MARVIN SAFE COMPANY,
Petitioner,

vs.

THE HALL'S SAFE COMPANY, EDWARD C. HALL, WILLIAM H. HALL and CHARLES O. HALL,
Respondents.

No. 136

Cross Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Sixth Circuit.

JUDSON HARMON,
WILLIAM. C. COCHRAN,
Counsel for Respondents and Cross Petitioner.

Supreme Court of the United States.

OCTOBER TERM—1906.

HERRING-HALL-MARVIN SAFE COMPANY,
Petitioner.

vs.

THE HALL'S SAFE COMPANY, EDWARD C. HALL, WILLIAM H. HALL and CHARLES O. HALL,
Respondents.

No.

To the Chief Justice and Associate Justices of the Supreme Court of the United States:

The Respondent and Cross Petitioner, The Hall's Safe Company, prays for a writ of certiorari to review the decree of the United States Circuit Court of Appeals for the Sixth Circuit in the case in that Court, numbered 1494 on its docket, in which petitioner was appellee and the respondents and cross-petitioner were appellants.

Respondent and cross-petitioner hereto annexes a statement of the case and of the grounds for this cross-petition. It refers to the copies of the record in the Circuit Court which were printed under the supervision of the clerk of the Court of Appeals and a certified transcript of the subsequent proceedings in the Court of Appeals heretofore filed by the petitioner in this Court.

JUDSON HARMON,
WILLIAM. C. COCHRAN,
Counsel for Respondents and Cross-Petitioner,
The Hall's Safe Co.

Statement of the Case.

In May, 1892, Hall's Safe & Lock Company, a corporation under the laws of Ohio, sold and transferred to Messrs. Cox & Segur all of its property, business and good will, pursuant to a written agreement which provided as a *condition precedent* that a new corporation should be organized under the laws of New Jersey, *to be called Herring-Hall-Marvin Company*, which should take over and carry on this business and simultaneously acquire the business, property and good will of Herring & Co., Farrel & Co., Myers & Smith, and The Marvin Safe Company. Such a company was duly organized, before the sale and transfer took place, and its Articles of Incorporation provided:

> "*First*, That the name which we have assumed to designate such company, and to be used in its dealings, is Herring-Hall-Marvin Company."

Hall's Safe & Lock Company retained its corporate name and franchise and its stockholders retained their stock, not a share of which, at any time, passed to the purchasers. The right to use its corporate name was not granted and the expression "trade names" was not used in any of the documents constituting the chain of title. The bill of sale contained the provision, which was in accordance with the original agreement:

> "That said Hall's Safe & Lock Company, will not hereafter engage in or carry on any business whatsoever and it will as soon as practicable pay and discharge all its debts and liabilities and that it will thereupon go into liquidation and procure itself to be wound up and dissolved in accordance with the laws of the state of Ohio."

These provisions as to the name of the new company and the dissolution of the old company were not only assented to by the stockholders of Hall's Safe & Lock Co., but were inserted for their protection and to secure the right of such of them as were named "Hall" to use their family name in business without danger of confusion, if at any time in the future it should seem to be for their interests to engage in the safe business.

The purchasers were informed at all stages of the negotiations that the *name* of the company would not be sold. The name, "Hall," could only be used as a part of the stipulated corporate name, Herring-Hall-Marvin Co., which could readily be distinguished from any name the Halls were likely to adopt if they embarked in the safe business again on their own account.

Edward was at this time 41 years old, William H. Hall, 35, and the others, still younger. All had been brought up in the safe trade and had acquired a practical knowledge of the manufacture and sale of safes and vaults in all their branches. Their holdings and stock in Hall's Safe & Lock Co., were comparatively insignificant, only 22 and 10 shares respectively, out of a total of 3,591 shares. They had no intention of retiring

from the only business with which either was acqainted, and they knew that as holders of but a few shares of the capital stock of the new company they could not be sure of retaining employment with it for any number of years.

Edward C. Hall and William H. Hall, did enter into contracts with the new company, by virtue of which they agreed to serve for stipulated salaries as officers and directors until the fourth day of May, 1897, or longer if desired by the said company, and each further agreed that he would not, so long as the Herring-Hall-Marvin Co. desired to retain his service as above, engage

> "in the business of manufacturing, selling, buying or dealing in fire or burglar proof vaults or safes, or in any business or occupation, such as the said corporation known as Hall's Safe & Lock Company has heretofore been engaged in, or the said Herring-Hall-Marvin Co. is authorized or impowered to engage in, or in any other business which will compete or interfere with the business of the said Herring-Hall-Marvin Co."

If the Herring-Hall-Marvin Co. cared to prevent them from engaging in the safe business and using their own names in such business, all it had to do was to comply with its obligations under these individual agreements. The fact that it made them is sufficient evidence that it did not rely on the Company's bill of sale to restrain them from active competition.

It is not disputed that the corporation, Hall's Safe & Lock Co., carried out its contract to the letter. It ceased to do business, went into liquidation and caused itself to be dissolved by legal proceedings, the decree of dissolution being entered July 5th, 1895.

It is not disputed that Edward C. Hall and William H. Hall faithfully performed their duties as officers and directors of the new company, for more than four years and until the summer of 1896, when the company deposed them from office, and cut down their stipulated salaries. They then asked and received their discharge and full release from any and all obligations to the company under their said contracts, to take effect August 1st, 1896.

In September of that year, they, with three brothers, incorporated under the laws of Ohio, and adopted the name,

THE HALL'S SAFE COMPANY

which is quite distinct from the much longer name,

HALL'S SAFE AND LOCK COMPANY

and of course as remote as possible from

HERRING-HALL-MARVIN COMPANY.

Their product was always marked with their corporate name and the place of manufacture, and since August, 1902, has been further marked with a trade mark, specially designed to distinguish it from the work of all other safe manufactures, ancient or modern.

For a limited period, beginning December, 1900, and extending to February, 1902, they and dealers in their goods advertised "Hall's Safes" for sale. Upon complaint being made, they desisted and notified all dealers in their goods to refrain from such advertising. They contend, nevertheless, that they have the perfect right to manufacture safes in strict accordance with the patents of Joseph L. Hall, all of which have long since expired, and to advertise and sell them as "Hall's Safes" and to call attention to their fire-resisting qualities as tested in the great fires of Chicago, Boston, Lynn, &c., which qualities were due to special methods of manufacture and the use of materials patented by Joseph L. Hall, the safes having acquired their reputation and popular designation as "Hall's Safes," while he was protected in the exclusive right to manufacture such safes by letters patent of the United States.

Suit was brought, July 1, 1904, by the Herring-Hall-Marvin *Safe* Co., as successor to Herring-Hall-Marvin Co., against respondents to enjoin them

> "from carrying on the business of manufacturing or selling fire proof or burglar proof safes, or vaults under the name of "The Hall's Safe & Lock Co." or any other *trade name* substantially or essentially the same and calculated to *deceive the public or intending purchasers into the belief that they are dealing with your orator, or, with the establishment founded by said Joseph L. Hall and carried on by your orator when they are dealing with the defendant*, and from marking them with that name."

In a cross-bill filed by The Hall's Safe Co. it was alleged among other things that plaintiff

> "Well knowing that said Hall's Safe & Lock Co. has not been in business since May, 1892, and that it was wound up and dissolved more than four years before complainant was incorporated, it has falsely represented to the public that said Hall's Safe & Lock Co. is still in existence and manufacturing safes in Cincinnati by placing on its envelopes and stationery the words,

"HALL'S SAFE & LOCK CO., CINCINNATI, O."

"From HALL'S SAFE & LOCK WORKS,

225 W. PEARL, CINCINNATI, OHIO."

> by inserting in business, telephone and general directories of the cities of Cincinnati, New York, Chicago, St. Louis, San Francisco and Baltimore in bold type the name

"HALL'S SAFE & LOCK CO."

> and giving in connection therewith the street and number of complainant's stores and telephones in such cities, but not its name, thereby intending to induce the public to believe that said Hall's Safe & Lock Co. is still in existence and doing business at those places; and by causing advertisements to be inserted in various newspapers like the following

THE ONLY OFFICE OF

Hall's Safe and Lock Company,

Of Cincinnati, Ohio,

IS LOCATED AT

Hoen Building

Lexington and North Sts.

MAKE NO MISTAKE

Telephones { **Courtland 970** / **Mt. Vernon 2506**

that being the address of plaintiff's store in Baltimore, Md.

Respondents claimed that such false and deceptive advertising disentitled the plaintiff to any relief in a court of equity, and in the cross-bill prayed among other things that plaintiff be enjoined

> "from carrying on the business of manufacturing and selling fire or burglar proof safes, vaults, etc., under the name of "Hall Safe & Lock Co.," "Hall's Safe & Lock Works," or under any other name than the name whereby it is authorized by its articles of incorporation to contract and sue and to be sued, to-wit, Herring-Hall-Marvin Safe Co.," and from inserting the name "Hall's Safe & Lock Co." in any directories or publications, or in advertisements, and from using said name on its signs,

> stationery and envelopes, * * * and from doing any act tending to * * * lead the public to suppose that Hall's Safe & Lock Co. is still in existence and manufacturing safes."

The suit was brought, the evidence taken and the case prepared by complainant on the theory that Hall's Safe & Lock Co. had acquired the exclusive right to the use of the family name "Hall" in the safe business and that this exclusive right passed to Herring-Hall-Marvin Company by virtue of the sale and transfer of its business, property and good will, and from that Company through its receivers to complainant. This court announced its decision in *Howe Scale Co.* v. *Wyckoff*, just before the argument of the case in the Circuit Court and counsel for complainant shifted his ground to suit the emergency. He then contended that the Halls had deprived themselves *by contract* of their natural rights to use their family name in the safe business, and called the attention of the court—not to the *individual* contracts which Herring-Hall-Marvin Co. made with Edward C. Hall and William H. Hall—but to the Bill of Sale of the corporation, Hall's Safe & Lock Co., to Cox & Segur. Counsel for plaintiff persuaded the Circuit Court to take this view of the law, as they did the Circuit Court for the Northern District of Illinois and the Circuit Court of Appeals for the Seventh Circuit.

The Circuit Court found for the plaintiff and decreed an injunction and accounting, substantially as prayed

for in the Bill of Complaint and dismissed the case, and the Circuit Court of Appeals reversed in part and directed a dismissal of the Bill as against the defendants, Edward C. Hall, William H. Hall and Charles O. Hall, and a modified injunction, against The Hall's Safe Co., in the following terms, viz:

> "The defendant, The Hall's Safe Co., its servants, agents, officers and employees are perpetually enjoined from carrying on the safe or vault business in the name of The Hall's Safe Company, or any other name having similarity to the name Hall's Safe and Lock Company, without also giving information to the public that it is not the business formerly carried on by the Hall's Safe and Lock Company; and from ~~naming~~ marking, advertising or otherwise designating its safes and vaults as the products of the Hall's Safe and Lock Company or its successors in business, or pretending that it is carrying on the business started by Joseph L. Hall, and continued by the Hall' Safe and Lock Company; and from interfering in any manner with the exclusive right of the complainant to possess and enjoy the good will acquired by the Hall's Safe and Lock Company, and from using the trade name of said last named company without at the same time so qualifying such trade name as to show that the trade name used is not the one formerly used to designate the products of the Hall's Safe and Lock Company."

The decree dismissing the cross-bill was affirmed and the costs of the appeal were divided between the parties,

indicating that, in the judgment of the Court of Appeals, each party was about *half* right.

Grounds for the Cross-Petition.

None of the defendants were parties to the suit of Hall's Safe & Lock Co., of Illinois, vs. Herring-Hall-Marvin Safe Co., decided by the Circuit Court of Appeals for the Seventh Circuit. They are in no way bound by the decree affirmed in that Court, yet, indirectly, they are seriously affected by it; for, while that decree stands unreversed and the law is accepted as stated in the opinion of the Circuit Court of Appeals, dealers in safes throughout the Seventh Circuit are afraid to buy and sell safes made by The Hall's Safe Co., and bearing its corporate name.

We do not, therefore, oppose the application, for a writ of certiorari in the case of *James W. Donnell* vs. *Herring-Hall-Marvin Safe Co., et al*, or the application for the writ of certiorari made by Herring-Hall-Marvin Safe Co., in this case. On the contrary, we hope the Court will grant a writ in each case and bring all questions here for review.

We base our cross-petition for a writ of certiorari to the Circuit Court of Appeals for the Sixth Circuit, upon what we consider erroneous conclusions of law, by that Court, conflicting with recent and well known decisions of this Court, of Circuit Courts of Appeals in other Circuits, and of the House of Lords in England.

I.

We think the Court of Appeals erred in finding that complainant acquired the right to use the name "Hall's Safe & Lock Co." in its business. Such a right could only be granted in *express terms* or by necessary implication. The language of the various documents constituting the chain of title and the circumstances negative the idea that the new company was to use the name Hall's Safe & Lock Co. We think the decision in conflict with

Knoedler v. *Boussod*, 47 Fed. 465, 466.
Knoedler v. *Glaenzer*, 55 Fed. 895, 896, 899.
Bassett v. *Percival*, 5 Allen 345, 347.
Lawrence, Admr. v. *Hull*, 169 Mass., 250, 251, 252.
Marcus Ward & Co. v. *Ward*, 40 N. Y. St. 792.
Morgan v. *Schuyler*, 79 N. Y. 490, 494.
Cottrell v. *Babcock Printing Press Mfg. Co.*, 54 Conn. 122, 138, 139.
Williams v. *Farrand*, 88 Mich. 475, 483, 489, 494.

II.

We think the Court of Appeals erred in not dismissing complainant's bill, because of false representations that Hall's Safe & Lock Co. was still in existence and doing business and thus misleading the public. We do not contest its right to announce itself as the *successor* of Hall's Safe & Lock Co. They would then receive the credit that a *successor* is entitled to and no more. The Circuit Court of Appeals failed to apply the principles of equity stated in

Manhattan Medicine Co. v. *Wood*, 108 U. S. 222, 227.

Worden v. *California Fig Syrup Co.*, 187 U. S. 516.
Knoedler v. *Glaenzer*, 55 Fed. 895, 900.
Uri v. *Hirsch*, 123 Fed. 568.
Raymond v. *Royal Baking Powder Co.*, 29 C. C. A. 245, 249.

III.

We think the Court of Appeals erred in dismissing the cross-bill of The Hall's Safe Co., asking that plaintiff be enjoined from making such representations and from doing business in the name of Hall's Safe & Lock Co.

This is a corollary to the preceding propositions and rests upon the same grounds and authorities.

IV.

We think the Court of Appeals erred in requiring The Hall's Safe Co. to accompany the use of its corporate name with

> "explanatory matter showing that the product was their own and not that of the old company or its successor in business."

and in enjoining them from carrying on the safe or vault business in the name of

> "The Hall's Safe Company, or any other name *having similarity* to the name 'Hall's Safe & Lock Company' without also giving information to the public that it is not the business formerly carried on by the Hall's Safe & Lock Company."

The only similarity in the names is due to the presence of the family name "HALL". The important words "AND LOCK" are omitted.

These restrictions on the natural right of the Halls to use their own names in business seem to us unreasonable in view of the fact that complainant has adopted the name Herring-Hall-Marvin Safe Co. by which to designate its safes and there is no possibility of any one's supposing The Hall's Safe Company's safes to be the product of complainant Company. Whether it was *compelled* by the contract of sale to adopt such name, or did so of its own accord, the result is the same. Where there is no danger of confusion in the use by each of its own corporate name, it seems to us onerous and unnecessary to require one to give the public "information" or "explanatory matter", the character or extent of which is wholly undefined, as a condition of doing business at all.

We think this ruling of the Court of Appeals is in conflict with

Canal Co. v. *Clark*, 13 Wall. 311.
Goodyear Co. v. *Goodyear Rubber Co.*, 128 U. S. 598, 604.
Brown Chemical Co. v. *Meyer*, 139 U. S. 544, 547.
Columbia Mill Co. v. *Alcorn*, 150 U. S. 466.
Elgin Nat. Watch Co. v. *Illinois Watch Co.*, 179 U. S. 665, 673.
Montreal Lith. Co. v. *Sabiston*, (1899) App. Cas. 610, 615.

a case which the Court will observe is later in date and much more to the point than *Trego* v. *Hunt*.

See also

Iowa Seed Co. v. *Dorr*, 70 Ia. 481, 485.

Knoedler v. *Glaenzer*, 55 Fed. 895, 899.
National Starch Co. v. *Duryea*, 41 C. C. A. 244, 245, 246.

We take no exception to the injunction against marking,

"~~naming,~~ advertising or otherwise designating its safes and vaults as the product of the Hall's Safe & Lock Company, or its successors in business, or pretending that it is carrying on the business started by Joseph L. Hall and continued by the Hall's Safe & Lock Company."

V.

We think the Court of Appeals erred in agreeing with the Court of Appeals of the Seventh Circuit that no one could advertise and sell safes as "Hall's Safes" unless they were made by the Herring-Hall-Marvin Safe Co. It appears in evidence that the safes popularly known and designated as "Hall's Safes" were made in accordance with sundry patents, granted to Joseph L. Hall and others, assignors to Hall's Safe & Lock Co., all of which patents had expired. From that time any one could manufacture and sell "Hall's Safes," the only restriction on that right being the necessity for marking them with the name and address of the manufacturer, so that the public would not be deceived into buying them as the product of Herring-Hall-Marvin Safe Co. Every safe made by The Hall's Safe Co. was marked with its corporate name and address, and no one ever bought one supposing he was buying the Herring-Hall-Mavin product. To say that respondents may not manu-

facture, advertise and sell "Hall's Safes" made in accordance with the expired patents, is to extend the monopoly in the manufacture of such safes indefinitely and to conflict with the decisions in

Goodyear Co. v. *Goodyear Rubber Co.*, 128 U. S. 598.
Singer Mfg. Co. v. *June Mfg. Co.*, 113 U. S. 169, 185.
Holzapfel's Co. v. *Rahtjens Co.*, 183 U. S. 1, 12, 13.
Dover Stamping Co. v. *Fellows*, 163 Mass. 191, 194.

We respectfully submit that the Circuit Courts of Appeals for the Sixth and Seventh Circuits, have failed to apply to the cases before them—which this Court is now asked to review—the principles of law frequently and consistently announced by this Court in similar cases. In spite of such decisions many of the Circuit Courts of the United States seem to be influenced by the idea, that the first person who uses a family name in his business has the exclusive right to the use of that name in that particular line of business forever after, and can prevent any other person having the same family name from engaging in that business, unless he changes his name, uses some other, or accompanies the use of his own, with explanatory statements, etc., which are onerous, humiliating and impracticable in the ordinary course of business. This exclusive right so attaches itself to and inheres in the business and property, according to some decisions, that the vendor loses his name and the purchaser acquires it although there is no express contract to that effect and although the contract

of sale prescribes that the purchaser shall do business *in another name* and that the selling company shall cease to do business, go into liquidation and be dissolved, retaining its corporate name and franchise until such dissolution is effected. We think it of the utmost importance to the business community that this Court should again announce the conditions under which alone a man may lose the right to the free and unrestricted use of his own name in his own legitimate business.

If the writ of certiorari is granted we shall ask the Court to consider the questions above stated.

Respectfully submitted,

JUDSON HARMON,
WILLIAM C. COCHRAN.

Counsel for Respondents and Cross-Petitioner,
The Hall's Safe Co.

Office Supreme Court, U. S.
FILED.
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JAMES H. McKENNEY,
CLERK

Supreme Court of the United States.

OCTOBER TERM, 1906.

No. [redacted]136.

HERRING-HALL-MARVIN SAFE COMPANY, *Petitioner*,

vs.

HALL'S SAFE COMPANY, EDWARD O. HALL, WILLIAM H. HALL AND CHARLES O. HALL.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT.

LAWRENCE MAXWELL, Jr.
CHARLES H. ALDRICH,
Counsel for the Petitioner.

[redacted]

Supreme Court of the United States.

OCTOBER TERM, 1906.

No. .

HERRING-HALL-MARVIN SAFE COMPANY, *Petitioner*,

vs.

HALL'S SAFE COMPANY, EDWARD C. HALL, WILLIAM H. HALL AND CHARLES O. HALL.

To the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your petitioner, Herring-Hall-Marvin Safe Company, prays for a writ of certiorari to review the decree of the United States circuit court of appeals for the sixth circuit in the case in that court, numbered 1494 on its docket, in which your petitioner was appellee and the respondents, Hall's Safe Company, Edward C. Hall, William H. Hall and Charles O. Hall were appellants.

Your petitioner annexes hereto a statement of the case and of the grounds for this petition. It files printed copies of the record in the circuit court, which were printed under the supervision of the clerk of the court of appeals, and distributed by him in that court (one copy duly certified), and a certified transcript of the subsequent proceedings in the court of appeals.

LAWRENCE MAXWELL, JR.
CHARLES H. ALDRICH,
Counsel for the Petitioner.

STATEMENT OF THE CASE.

This was a bill in the circuit court of the United States for the southern district of Ohio, by the petitioner, Herring-Hall-Marvin Safe Company, against the respondents to enjoin them from carrying on the safe business under the name of the Hall's Safe Company, and from advertising their product as "Hall's safes." There was a decree in favor of the plaintiff in the circuit court (Rec. 345), which was reversed by the court of appeals.

The petitioner acquired by mesne conveyances all of the rights of its predecessor, the Herring-Hall-Marvin Company, under a contract made in 1892 (Rec. 114), whereby the Hall's Safe and Lock Company, an old established concern, sold its business as a going concern, including its trade marks, trade rights, good will, and all of its property and assets of every kind and nature wheresoever situated, and covenanted to go into liquidation and to procure itself to be wound up and dissolved. The individual respondents were stockholders and the principal officers of the selling company and became, and for four years remained, officers of the purchasing company, which was organized to continue the business. In 1896 they retired and set up a rival business, organizing for that purpose the respondent corporation to which they gave the name of Hall's Safe Company, and called their product "Hall's Safes."

The circuit court held that the sale in 1892 was substantially a sale of the business and good will of the Hall's Safe & Lock Company by its stockholders and that a court of equity would prevent them from thereafter using the old trade name in a rival business. They were accordingly enjoined from carrying on business in the name of the Hall's Safe Company or in any name similar to that of Hall's Safe & Lock Company, and from marking their product with the name Hall's Safe Company or any name so similar as to mislead the trade or cause mistake (Rec. 346).

The United States circuit court of appeals for the seventh circuit, affirming a decree of the circuit court for the northern district of Illinois, took a similar view of the relations of the individual respondents to the transaction, saying on that subject, in the case of Hall's Safe & Lock Company appellant vs. Herring-Hall-Marvin Safe Co.:

"The general rule for which the appellants contend—that the family surname is 'incapable of exclusive appropriation by any one, as against others of the same name who are using it legitimately in their own business'—is too well settled to require citation or review of the authorities. But the exceptions above mentioned, which make the use illegitimate, are equally well settled, and we are of opinion that the general rule is not applicable to the trade name "Hall" thus applied to the product of the new corporation, and that the use was both fraudulent and in derogation of the rights acquired by the appellee under the conveyance by the original Hall corporation. The fact that such conveyance was not executed by the Halls as individuals can not absolve them from the obligations of a contract, made in the corporate name, wherein they were individually the beneficiaries. As stated in McKinley vs. Wheeler, 130 U. S. 630, 636, 'the court, when necessary, will look beyond the name of a corporation to the individuals whom it represents.' See opinion of Judge Baker, speaking for this court, in Siemens-Halske Electric Co. vs. Duncan Electric Mfg. Co. et al., decided October 3, 1905. The corporate form of the transfer will not be permitted 'to distort or hide the truth' (Anthony vs. American Glucose Co., 146 N. Y. 407, 413), but a court of equity will treat the contract in conformity with its true meaning.

The organizers and owners of this new corporation were not only the Halls who managed the original business, who established and maintained the reputation of the Hall safes, but they personally negotiated the sale of that business and good will to the purchasing corporation, for a large price, and received (as stockholders) a large share of the proceeds; they became managers of the purchasing corporation and so continued for four years, maintaining and enlarging the business and good will so acquired, in the product known as Hall

safes; and thus participating and profiting in the transfer of that valuable asset—which they had given to the selling corporation, through acquiescence, at least, in the use of the family name—their efforts to repossess themselves of its essence, destroying or impairing the value of the property rights granted to the purchaser, are plainly inequitable, and, as we believe, violative of their contract obligations.

In any view of the doctrine of unfair trade, we are of opinion that the appellee is entitled to protection against the sale by these appellants of safes so made and marked as Hall safes, as representatives of the so called Hall's Safe Company, or otherwise. The recent decision in Howe Scale Company vs. Wyckoff, Seamans & Benedict, supra, is relied upon by the appellants for support of their contention that the Halls were not deprived of right to use the family surname by these transactions, but we are satisfied that the case is plainly distinguishable; that the contract elements above mentioned in the case at bar were not there present, and the decision was expressly grounded upon the absence of such obligations, together with the absence of deception or confusion in the use of the name Remington; and that the elements thus appearing in the present case are unmistakably recognized as excepted from the rule thus upheld."

The opposite view of the court of appeals for the sixth circuit, is thus stated in their opinion:

"Counsel for complainant contend that it is entitled to the relief it demands by virtue of the contract between it and the Hall Safe & Lock Company by which it acquired the property and good will of the latter company, and that its rights are not to be measured by the rules and principles which apply in the case of unfair competition in trade. And it is argued that this consideration distinguishes the case from that of Howe Scale Co. vs. Wyckoff, Seamans, etc., 198 U. S. 118, where there was much discussion of the extent of the right of a person to use his own name in the conduct of his business, whether it be his private business or that of a corporate business in which he is associated with others, and reference is made to the language of the chief justice at page 140, where he says: "We hold that in the absence of contract, fraud or

estoppel, any man may use his own name, in all legitimate ways, and as the whole or a part of a corporate name."

Upon this contention it becomes important to determine what were and are the relations between the complainant and its predecessor in title and the several defendants. Undoubtedly the Herring-Hall-Marvin Company acquired by its contract of purchase with the Hall Safe & Lock Company all its physical properties and the good will which it had acquired in its business as well as the right to use such trade names as had been customarily used to identify its products. It acquired also the right to require that the Hall Safe & Lock Company should go out of business, or, in substance, that it should not longer engage in business of the kind which it sold to the Herring-Hall-Marvin Company. But it is contended that the contract reaches beyond the corporation, the Hall Safe & Lock Company, and binds the defendants who were stockholders and officers of the corporation and prevents them and any corporation of which they may become stockholders and managers from doing what the Hall Safe & Lock Company could not do; and the principal reason for this contention is the fact that these individual defendants participated in the sale and as stockholders received its benefits. We are of opinion that this proposition can not be sustained. The contract which the Herring-Hall-Marvin Company had was with the corporation only and not with its stockholders or officers. The officers who conducted the business of the selling company were not parties to the contract. It is a familiar rule that an agent, who having lawful authority makes a contract with another for a known principal, does not bind himself but his principal only. Story on Agency, Section 261; Mechem on Agency, Section 555; Whitney vs. Wyman, 101 U. S. 392."

ARGUMENT.

I.

The opinion of this court in Howe Scale Co. vs. Wyckoff, Seamans & Benedict, 198 U. S. 118, recognizes that where the facts show "contract, fraud or estoppel," a person may

not have the right to use his own name. When such conditions exist it is not a "legitimate" way to use one's own name. These elements were not present in Burgess vs. Burgess, 3 D. G. M. & G. 896; Turton vs. Turton, L. R. 42, Ch. Div. 128; Reddaway vs. Banham, L. R. App. Cas. [1896] 199.

II.

While the contract of 1892 was executed in the name of the corporation, it was made with the express assent of all of the stockholders of the Hall's Safe & Lock Company, and for their benefit, and for a consideration, which was intended to be and was immediately distributed among them. The sale could not have been made except with the consent of all of the stockholders. It was a sale of the business as a going concern, and of its good will and all other assets, all of which belonged in fact to the stockholders. They desired to sell the business as a going concern including its trade rights and good will and to secure the value thereof for distribution among themselves. In substance and effect it was a sale by the stockholders. The petition of Edward C. Hall and others in the court of common pleas for the dissolution of the corporation (Rec. 390), recites that the contract was authorized by all of the stockholders at a meeting called for that purpose.

The members of the Hall family, having induced petitioner's predecessor to purchase the old concern with its trade rights and good will for a valuable consideration, to be distributed among themselves, and which was so distributed, are estopped to say that they are not bound by the contract, or to derogate in any way from the grant. Especially is this true of the respondents, Edward C. Hall and W. H. Hall, who negotiated the sale and were directors and the president and vice-president of the company. They must be held to

have consented to the acquisition and enjoyment by the purchaser of every right implied in the transfer to it of the good will and trade rights of Hall's Safe & Lock Co., which includes the right, and necessarily the exclusive right, to use the title Hall's Safe & Lock Company, and to call the product "Hall's Safes."

The question is not whether a court of equity will look behind the corporate entity to fix upon the shareholders what the court of appeals mistakenly call "a liability for the acts of the corporation," but whether the owners of a business, who sell it as a going concern and get the consideration, can repudiate the terms of the sale because the formal transfer was made in corporate name.

III.

In Churton vs. Douglas, Johns. 174, Wood, V. C. said:

"The name of a firm is a very important part of the good will of the business carried on by the firm. A person says, 'I have always bought good articles at such a house of business; I know it by that name, and I send to the house of business identified by that name for that purpose.' There are cases every day in this court with reference to the use of the name of a particular firm, connected generally, no doubt, with the question of trade mark. But the question of trade mark is in fact the same question. The firm stamps its name on the articles. It stamps the name of the firm which is carrying on the business on each article, as a proof that they emanate from the firm; and it becomes the known firm to which applications are made, just as much as when a man enters a shop in a particular locality. And when you are parting with the good will of a business, you mean to part with all that good disposition which customers entertain towards the house of business identified by the particular name or firm, and which may induce them to continue giving their custom to it. You can not put it anything short of that. That the name is an important part of the good will of a business is obvious, when we consider that there are at this

moment large banking firms, and brewing firms, and others, in this metropolis, which do not contain a single member of the individual name exposed in the firm."

In Brown Chemical Co. vs. Meyer, 139 U. S. 540, the firm of Brown & Lincoln sold a preparation which they called Brown's Iron Tonic. Brown sold out his interest in the firm to Lincoln, who continued to use the name. The court held that the plaintiff could not "question the right of Brown to transfer his interest in the business, and to include in such transfer the right to the use of his name in connection with the preparation of the tonic, as part of the good will of the business," p. 547.

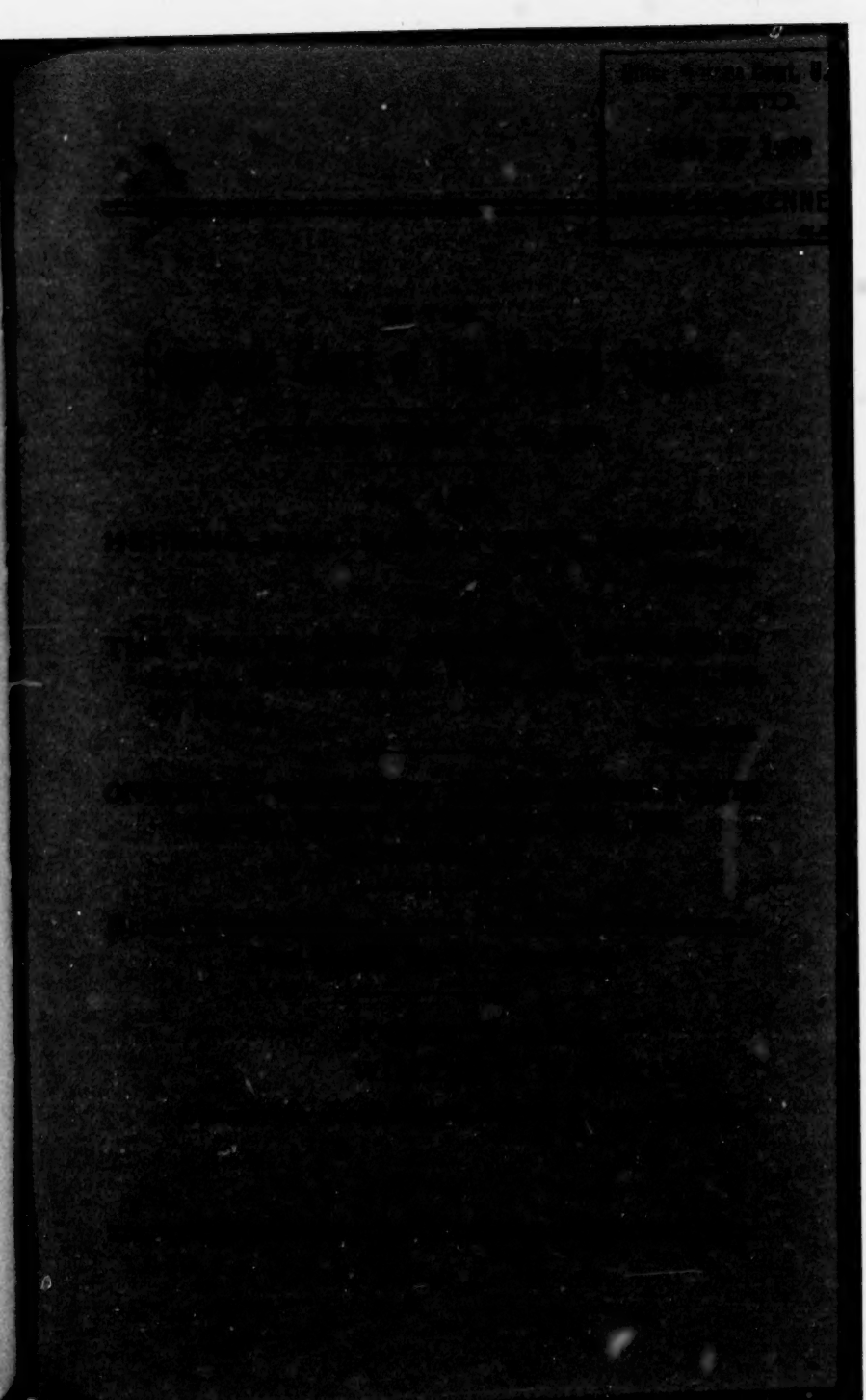
Trego vs. Hunt [1896], App. Cas. 7, is the latest decision of the House of Lords on the subject of good will. It holds that the vendors of a business with its good will are not entitled to solicit especially the customers of the old concern, or to do anything which will weaken their habit of dealing with the old concern, and approves Labouchere vs. Dawson, L. R. 13 Eq. Cas. 322, where the vendor of good will was restrained "from in any way endeavoring to obtain the custom of such of the customers of the plaintiff as were customers of the old concern, or from attempting to take away any portion of the business bought by the plaintiff." They held that there is "an implied contract to abstain from doing any act intended to deprive the purchaser of that which has been sold to him, and to restore it to the vendor."

IV.

We respectfully submit that the important question of the relation of the individual stockholders of a corporation to such a transaction as this, upon which the courts of appeal of the sixth and seventh circuit are divided in opinion, justifies the review of the decree of the court of appeals for the sixth circuit by this court. That court holds that a few per-

sons owning all of the stock of a corporation which bears their name and whose product has come to be known all over the world by their name, can sell the business and good will as a going concern, for a large price, divide the consideration among themselves, and immediately resume business in the same locality under the old name, and call their product by that name.

LAWRENCE MAXWELL, Jr.,
CHARLES H. ALDRICH,
Counsel for the Petitioner.



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IN THE

Supreme Court of the United States.

OCTOBER TERM, A. D. 1907.

No. 136.

HERRING-HALL-MARVIN SAFE COMPANY,
Petitioner,

vs.

THE HALL'S SAFE COMPANY, EDWARD C. HALL, WILLIAM H. HALL and CHARLES O. HALL,
Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT.

Brief of Respondents, and the Cross Petitioner, The Hall's Safe Company.

Statement of the Case.

In May, 1892, Hall's Safe & Lock Company, a corporation under the laws of Ohio, sold and transferred to Messrs. Cox & Segur all of its property, business and good will, pursuant to a written agreement which provided as a *condition precedent* that a new corporation should be organized under the laws of New Jersey, *to be called Herring-Hall-Marvin Company*, which should take over and carry on this business and simultaneously

acquire the business, property and good will of Herring & Co., Farrel & Co., Myers & Smith, and The Marvin Safe Company. (Def'ts' exhibit No. 268, p. 345.) * Such a company was duly organized, before the sale and transfer took place, and its Articles of Incorporation provided:

> "*First*, That the name which we have assumed to designate such company, and to be used in its dealings, is HERRING-HALL-MARVIN COMPANY." (Def'ts' exhibit No. 262, p. 316.)

Hall's Safe & Lock Company retained its corporate name and franchise and its stockholders retained their stock, not a share of which, at any time, passed to the purchasers. The right to use its corporate name was not granted.

A comparison of the allegations in the 3rd article of the bill of complaint (p. 4) and the 3rd article of the answer of the Herring-Hall-Marvin Company to the cross-bill of The Hall's Safe Company, (p. 33) with the bills of sale from Hall's Safe & Lock Co. to Cox & Segur (Plff.'s Ex. No. 1, at p. 93) and from the latter to Herring-Hall-Marvin Co. (Plff.'s Ex. No. 2, at p. 96) shows that the pleader interpolated the words "*trade names*", between the words, "trade marks" and the words, "good will", as found in the bills of sale. Why such interpolation should have been made is not clear. Its effect is to mislead the court and make it suppose that the grant was broader than it really was and that the *name* of the Company was specifically conveyed. It seems, from some expressions in his opinion (pp. 274, 275), that his honor, Judge Clark, was in fact so misled.

* NOTE.—The page references are to the printed record in this Court. Italics are our own.

It is important therefore to note that no such expression as "*trade names*" was ever used in any of the documents constituting Plaintiff's chain of title.

These are as follows:

(1) The option given to the promoters and approved by the directors and stockholders of Hall's Safe & Lock Co. at their meetings, May 7th, 1892 (Defts. Ex. No. 268, pp. 344 to 346; No. 269, p. 348).

This is the only agreement to which the stockholders gave their assent.

(2) The agreement between Hall's Safe & Lock Co. and Cox & Segur made at the request of the promoters, which incorporates by reference the option above named (Defts. Ex. No. 270, pp. 349, 350).

(3) The instruments described in the schedule attached to the agreement with Cox & Segur and the receipt of the Union Trust Co. (p. 351.)

(4) The Bill of Sale, Hall's Safe & Lock Co. to Cox & Segur, which incorporates by reference the agreement with Cox & Segur, and therefore the option above mentioned (Plff.'s Ex. No. 1, pp. 92 to 95).

Note particularly Schedule A, attached thereto.

(5) The Bill of Sale, Cox & Segur to Herring-Hall-Marvin Co., which incorporates by reference the bill of sale from Hall's Safe & Lock Co. (Plff.'s Ex. No. 2, p. 96).

(6) The Bill of Sale—Receivers of Herring-Hall-Marvin Co. to Complainant, acknowledged Dec. 28th, 1900, more than eight and a half years after the above transactions. (Plff.'s Ex. No. 3, pp. 97 to 101).

Its omission was significant and the uncontradicted testimony of Edward C. Hall (pp. 253 to 255) is that it was intentional and that the purchasers were advised at all stages of the negotiations that the name of the Company and the family name "Hall," would not be sold.

The right to the use of the name, "HALL," was conceded, to the extent of its becoming part of the corporate name Herring-Hall-Marvin Co., and where the manner of its use is prescribed, all other use of the name is by necessary implication *excluded*. Such a collocation of names could always be distinguished from any name the Halls might adopt, if forced to go into business for themselves.

The option of purchase given by Hall's Safe & Lock Co. to Messrs. Connor & Co., provided that:

> "upon the completion of the transfer in accordance with the terms above named, Hall's Safe & Lock Co. agrees to go into liquidation and dissolve as soon as it can be wound up under the Laws of Ohio." (Record, pp. 345, 346).

The Bill of Sale from Hall's Safe & Lock Co. to Cox & Segur provides:

> "That it, said Hall's Safe & Lock Company, will not hereafter engage in or carry on any business whatsoever and that it will, as soon as practicable, pay and discharge all its debts and liabilities, and that it will thereupon go into liquidation and procure itself to be wound up and dissolved in accordance with the laws of the state of Ohio" (Record, p. 95).

These provisions as to the name of the new company and the dissolution of the old company were not only

assented to by the stockholders of Hall's Safe & Lock Co., but were inserted for their protection and to secure the right of such of them as were named "Hall" to use their family name in business without danger of confusion, if at any time in the future it should seem to be for their interests to engage in the safe business.

Edward was at this time 41 years old, William H. Hall, 35, and the others, still younger. All had been brought up in the safe trade and had acquired a practical knowledge of the manufacture and sale of safes and vaults in all their branches. (Pullen, pp. 64, 65; W. H. Hall, pp. 138, 140, 141, 217, 218; E. C. Hall, pp. 221, 222, 232, 256, 264, 265).

Edward C. Hall and W. H. Hall had acquired not only experience, but honorable reputations as manufacturers and an extensive acquaintance among dealers and others interested in the safe business. (W. H. Hall, pp. 182, 183, 217, 218; E. C. Hall, pp. 221, 222, 256, 264). This experience, reputation and acquaintance were strictly *personal*—something quite apart from the reputation enjoyed by the Company.

The Company had been incorporated by their father, Joseph L. Hall, in 1867, before any of the respondents were old enough to go to work. (Bill, p. 4; E. C. Hall, p.235.) He gave the *Company* his name; but he had, before that, given *respondents* his name. Their holdings and stock in Hall's Safe & Lock Co., were comparatively insignificant, only 22 and 10 shares respectively, out of a total of 3,591 shares. (Exhibit A, p. 322).

They had a contingent interest in the stock held in trust under their father's will and held by their mother

in her own right, but the amount they would receive depended entirely on their mother. She might consume it all if she saw fit, or apportion what was left among the children so as to reduce their shares. (See will of Joseph L. Hall, p. 315). There were in the family five boys and six girls (Pullen, p. 43), all of whom were to share in Joseph L. Hall's estate in such proportions as Mrs. Hall might direct by her will (p. 315).

It was apparent that the $650,000, out of $3,300,000 stock of the new company, to be received by Hall's Safe & Lock Co., even if it could be held together and voted as a unit would not enable them to control the new company or to retain employment with it. They had to look out for themselves.

Edward C. Hall and William H. Hall, did enter into contracts with the new company, by virtue of which they agreed to serve for stipulated salaries as officers and directors until the fourth day of May, 1897, or longer if desired by the said company, and each further agreed that he would not, so long as the Herring-Hall-Marvin Co. desired to retain his services as above, engage

> "in the business of manufacturing, selling, buying or dealing in fire or burglar proof vaults or safes, or in any business or occupation, such as the said corporation known as Hall's Safe & Lock Co. has heretofore been engaged in, or the said Herring-Hall-Marvin Co. is authorized or impowered to engage in, or in any other business which will compete or interfere with the business of the said Herring-Hall-Marvin Co." (Def'ts' Ex. No. 272, p. 352; Def'ts' Ex. No. 394, p. 403).

If the Herring-Hall-Marvin Co. cared to prevent them from engaging in the safe business and using their own names in such business, all it had to do was to comply with its obligations under these individual agreements. The fact that it made them is sufficient evidence that it did not rely on the Company's bill of sale to restrain them from active competition.

It is not disputed that the corporation, Hall's Safe & Lock Co., carried out its contract to the letter. It ceased to do business, went into liquidation and caused itself to be dissolved by legal proceedings, the decree of dissolution being entered July 5th, 1895. (Defts' Ex. No. 263, pp. 320 to 326.)

From that date there was no HALL'S SAFE & LOCK CO. and no company entitled to the use of that name. Up to that date, it was a corporation existing entirely independent of Herring-Hall-Marvin Co., and, of course, no other company could use its name.

It is not disputed that Edward C. Hall and William H. Hall faithfully performed their duties as officers and directors of the new company, for more than four years and until the summer of 1896, when the company deposed them from office, and cut down their stipulated salaries. They then asked and received their discharge and full release from any and all obligations to the company under their said contracts, to take effect August 1st, 1896. (Bill of complaint, p. 5; Pullen, p. 89; W. H. Hall, pp. 141, 142, 171; E. C. Hall, pp. 221, 223, 224; Defts' Exhibits; Nos 274, 275 and 276, pp. 353, 354; Nos. 395, 396, 397 and 398, pp. 404 to 406).

In September of that year, they, with three brothers, incorporated under the laws of Ohio, and adopted the name,

THE HALL'S SAFE COMPANY,

which no sensible person could mistake for

HERRING-HALL-MARVIN COMPANY.

(Defts' Ex. No. 264, p. 331).

Their product was always marked with their corporate name and the place of manufacture, and since August, 1902, has been further marked with a trade mark, specially designed to distinguish it from the work of all other safe manufactures, ancient or modern. (W. H. Hall, pp. 159, 171, 172, 214, 215; E. C. Hall, p. 231; Plffs' Exhibits No. 46, pp. 456 and 464, and No. 48, p. 297).

The product of complainant has always been marked with its corporate name, "HERRING-HALL-MARVIN SAFE CO., HAMILTON, O.," or the name of the city where the selling branch was located, and with no other name, whatever, until after this suit was brought, when complainant began marking safes "HALL'S STANDARD SAFE." (Palm, pp. 129 to 132; W. H. Hall, p. 159; E. C. Hall, p. 231.)

There is not in the record a scintilla of proof that The Hall's Safe Co., or any of its officers, agents, or employees ever represented defendant Company as the Herring-Hall-Marvin Safe Co., or as in any way con-

nected therewith; that any of them ever sold, or attempted to sell a safe, or vault, as the product of complainant; or that anyone ever dealt with The Hall's Safe Co., supposing that he was dealing with complainant.

For a limited period, beginning December, 1900, and extending to February, 1902, they and dealers in their goods advertised "Hall's Safes" for sale. They, at this time, inserted advertising pages in their illustrated catalogues in which they call attention to "THE UNRIVALLED RECORD OF THE HALL'S SAFE in the GREAT FIRES of CHICAGO, BOSTON, LYNN and SEATTLE", to the firm of their grandfather, of their father before he incorporated Halls Safe & Lock Co., and to their own Company with its date of incorporation "1896" and add "Three Generations of High-Grade Safe Making Prove that Quality Tells." Upon complaint being made, they desisted, cut out all such advertisements and notified all dealers in their goods to refrain from such advertising. (Pullen, pp. 51, 62; W. H. Hall, pp. 154, 155, 157; E. C. Hall, pp. 232, 233, 264; Defts. Ex. No. 339, p. 378.)

They contend, nevertheless, that they have the perfect right to manufacture safes in strict accordance with the patents of Joseph L. Hall, all of which have long since expired, and to advertise and sell them as "Hall's Safes," to point out their relationship to Edward Hall their grandfather and to Joseph L. Hall their father, and the fact that they were both safe makers, and to call attention to the fire-resisting qualities of the Hall Safes as tested in the great fires of Chicago, Boston, Lynn, &c., which qualities were due to special methods of man-

ufacture and the use of materials patented by Joseph L. Hall, the safes having acquired their reputation and popular designation as "Hall's Safes," while he was protected in the exclusive right to manufacture such safes by letters patent of the United States.

Suit was brought, July 1, 1904, by the Herring-Hall-Marvin *Safe* Co., as successor to Herring-Hall-Marvin Co., against respondents to enjoin them

> "from carrying on the business of manufacturing or selling fire proof or burglar proof safes, or vaults under the name of "The Hall's Safe & Lock Co." or any other *trade name* substantially or essentially the same and calculated to *deceive the public or intending purchasers into the belief that they are dealing with your orator, or, with the establishment founded by said Joseph L. Hall and carried on by your orator when they are dealing with the defendant*, and from marking them with that name." (Record, p. 9.)

The suit was brought, the evidence taken and the case prepared by complainant on the theory that Hall's Safe & Lock Co. had acquired the *exclusive right* to the use of the family name "Hall" in the safe business and that this exclusive right passed to Herring-Hall-Marvin Company by virtue of the sale and transfer of its business, property and good will, and from that Company through its receivers to complainant.

The extent of their claims may be judged from the following passages in a brief filed by the same Counsel on behalf of Herring-Hall-Marvin Safe Co., in the suit of *J. W. Donnell et al* vs. *that Company*, decided in the

Seventh Circuit and since brought here on writ of certiorari and number 106 on the docket for this term, viz:

> "That there can be two different firms or individuals engaged in the manufacture or sale of Hall's Safes is impossible to suppose. * * * * There is only one "Hall's Safe" as there is only one Baker's Chocolate, Chickering Piano, or Royal Baking Powder." (See their brief p. 35.)

Judge Seaman, announcing the opinion of the Circuit Court of Appeals, in that case, said:

> "Unless the rights of the appellee (Herring-Hall-Marvin Safe Co.) are *exclusive*, therefore, in the use of the trade name, "Hall," as applied to their Safes or Vaults—irrespective of the just limitations in its use on the part of the appellants, arising out of their prior trade relations with the appellee—it is obvious that the decree cannot be upheld without modification." (74 C. C. A. p. 364.)

And yet the Court upheld it.

Judge Clark, sitting in this case, found for the Complainant and entered a decree in accordance with the prayer of the petition providing among other things:

> The defendants, The Hall's Safe Company, Edward C. Hall, William H. Hall and Charles O. Hall, and their successors, assigns, servants, agents, officers and employees are perpetually enjoined from carrying on the safe or vault business in the name of The Hall's Safe Company, as has been done, and is now done, or in any name similar to that of Hall's Safe & Lock Company, and from advertising, or in any manner designating their product as Hall's Safes, or Vaults, as has heretofore been done and is

now done, and from marking their product in any manner with the name Hall's Safe Company, or any name so similar as to mislead the trade or cause mistake, and from representing in any manner that they are the Hall's Safe & Lock Company, or its successors, or that they are carrying on the business established by Joseph L. Hall, or that the safes which they manufacture are Hall's Safes; and from interfering in any manner with the *exclusive right of Herring-Hall-Marvin Safe Company*, its successors and assigns, to *use the trade name* and to possess and enjoy the good will of Hall's Safe & Lock Company. (Record, p. 278).

Respondents appealed to the Circuit Court of Appeals for the Sixth Circuit and that Court modified the injunction so as to read as follows:

> "The defendant, the Hall's Safe Co., its servants, agents, officers and employees are perpetually *enjoined from carrying on the safe or vault business* in the name of The Hall's Safe Company, or any other name having similarity to the name Hall's Safe and Lock Company, *without also giving information to the public that it is not the business formerly carried on by The Hall's Safe and Lock Company;* and from naming, advertising or otherwise designating its safes and vaults as the products of the Hall's Safe and Lock Company or its successors in business, or pretending that it is carrying on the business started by Joseph L. Hall, and continued by the Hall' Safe and Lock Company; and from interfering in any manner with the exclusive right of the complainant to possess and enjoy the good will acquired by the Hall's Safe and Lock Company, and from using the trade name of

said last named company without at the same time so qualifying such trade name as to show that the trade name used is not the one formerly used to designate the products of the Hall's Safe and Lock Company." (Record, pp. 515, 516).

This modified injunction is not satisfactory to the Complainant because it permits the respondents to use their family name "Hall" under certain restrictions and thus conflicts with the decision in the Chicago case. Respondents object to the modified injunction because of the restrictions imposed which they believe to be burdensome, unnecessary and unreasonable.

There is a conflict of opinion between the Circuit Court of Appeals of the Seventh Circuit and the Circuit Court of Appeals of the Sixth Circuit as to Complainants *exclusive right to use the name "Hall"*, in the safe trade and as to the effect of the terms of sale of its business and property by Hall's Safe & Lock Company to Cox & Segur upon the individual rights of the respondents. This difference of opinion is the ground for the various applications for Writs of Certiorari which have been granted by this Court.

The Respondent, The Hall's Safe Company, asks this Court to consider and pass upon certain conclusions of law by the Circuit Court of Appeals of the Sixth Circuit, which it believes to be erroneous and in conflict with recent and well known decisions of this Court, of other Circuit Courts of Appeal, and of the House of Lords and Privy Council in England. These were set forth in the Cross-application for a Writ of Certiorari as follows:

I.

We think the Court of Appeals erred in finding that complainant acquired the right to use the name "Hall's Safe & Lock Co." in its business. Such a right could only be granted in *express terms* or by necessary implication. The language of the various documents constituting the chainof title and the circumstances negative the idea that the new company was to use the name Hall's Safe & Lock Co.

II

We think the Court of Appeals erred in not dismissing complainant's bill, because of false representations that Hall's Safe & Lock Co. was still in existence and doing business and thus misleading the public. We do not contest its right to announce itself as the *successor* of Hall's Safe & Lock Co. They would then receive the credit that a *successor* is entitled to and no more.

III.

We think the Court of Appeals erred in dismissing the cross-bill of The Hall's Safe Co., asking that plaintiff be enjoined from making such representations and from doing business in the name of Hall's Safe & Lock Co.

This is a corollary to the preceding propositions and rests upon the same grounds and authorities.

IV.

We think the Court of Appeals erred in requiring The Hall's Safe Co. to accompany the use of its corporate name with

"explanatory matter showing that the product was their own and not that of the old company or its successor in business."

and in enjoining them from carrying on the safe or vault business in the name of

"The Hall's Safe Company, or any other name *having similarity* to the name 'Hall's Safe & Lock Company' *without also giving information to the public that it is not the business formerly carried on by the Hall's Safe & Lock Company.*"

V.

We think the Court of Appeals erred in agreeing with the Court of Appeals of the Seventh Circuit that no one could advertise and sell safes as "Hall's Safes" unless they were made by the Herring-Hall-Marvin Safe Co. It appears in evidence that the safes popularly known and designated as "Hall's Safes" were made in accordance with sundry patents, granted to Joseph L. Hall and others, assignors to Hall's Safe & Lock Co., all of which patents had expired. From that time any one could manufacture and sell "Hall's Safes," the only restriction on that right being the necessity for marking them with the name and address of the manufacturer, so that the public would not be deceived into buying them as the product of Herring-Hall-Marvin Safe Co.

Chicago Case Distinguished.

It may be proper to state, in this connection, that the case at bar differs, in several important respects, from the case of *Donnell, et al*, vs. *Herring-Hall-Marvin Safe Co.* numbered 106 on the Docket of this Court for

the October Term, 1907, and which for convenience will be styled the Chicago case.

(1) In this case all of the incorporators and stockholders are members of the Hall family and the company's name is natural and appropriate.

In the Chicago case, none of the incorporators or original stockholders were named Hall and for more than a year after its incorporation, no one of that name had any connection with the Chicago Company.

(2) In this case there is no evidence of any attempt on the part of the Hall's Safe Co. or its agents or employees to sell its product as that of Complainant, or of the old Hall's Safe & Lock Co.

In the Chicago case, there was evidence tending to prove that the salesmen of the Chicago Company were instructed to represent and did represent that their company was the old Hall's Safe & Lock Co., and that the Safes sold by them, were the product of that company.

(3) In this case, The Hall's Safe Co. started *de novo*, leasing and equipping a new factory, some miles from the old plant and giving its exact location on all of its catalogues and stationery.

In the Chicago case, Donnell and his associates, after incorporating as Hall's Safe & Lock Co., carried on its business in that name in the same store and with the same signs, stationery, &c., which they had been using from 1886 down to the time of their incorporation, during all of which time they had been acting as agents of the original Hall's Safe & Lock Co., and Herring-Hall-Marvin Co. (Pullen, p. 58).

(4) In this case, all the mail addressed to Hall's Safe & Lock Co was delivered to Herring-Hall-Marvin Co, and its successor, with the acquiesence of respondents, until recently, when gross abuses of that privilege, which will be mentioned hereafter, caused them to object.

In the Chicago case, Donnell and his associates incorporated for the admitted purpose of securing all mail addressed to Hall's Safe & Lock Co. at Chicago—all of which would naturally belong to Herring-Hall Marvin Safe Co.

The Hall's Safe Co. was not a party to that suit, filed no pleadings, took no part in the preparation of the case, and really had little sympathy with Donnell, as it had itself objected to his use of the name "Hall's Safe & Lock Co." in his business, and, if W. H. Hall had had his way, would, long ago, have made that objection effective by suit or otherwise. An attorney was consulted with that object in view, but the matter was dropped. (W. H. Hall, pp. 191, 192).

The Chicago parties were not agents of The Hall's Safe Co. and had no contract relation of any sort with it. They were dealers in safes, vaults, &c. and bought safes wherever it was for their interest to buy them, and sold them for such prices and on such terms as they chose. (W. H. Hall, p. 191; Pullen, p. 58.) The Hall's Safe Co. is in no way responsible for their representations or practices

It is, however, deeply interested in having the sweeping injunction of the Chicago Court so modified as that dealers may sell its Safes, marked with its name, in the Seventh Circuit, so long as they indulge in no misrepresentations as to the origin of said Safes.

Argument.

The Chicago case was referred to Frank F. Reed, Special Master, to hear a motion for a preliminary injunction and report his findings and recommendation. The Master went to the limit in declaring the exclusive right to the name "Hall" to belong to Herring-Hall-Marvin Safe Co. and in making recommendations to give effect to such *exclusive right*. On Dec. 13th, 1904, Judge Kohlsaat adopted certain of the Master's recommendations and dismissed the bill of Halls Safe & Lock Co. (Donnell's Co.) for want of equity and enjoined Donnell and his associates from doing business in that name, but overruled the Master's report in all other matters. The case was continued on the Cross-Petition of Herring-Hall-Marvin Safe Co., proofs were taken, and after argument, Judge Bethea granted an injunction in substantially the terms prayed for in the petition confirming the *enclusive right* of H.-H.-M. Safe Co. to the name "*Hall*" and enjoining Donnell and his associates, not only from using that name in their business—but from selling any safes marked with the name "Hall" or any other name of which the word "Hall" forms a part unless such safes were made by H.-H.-M. Safe Co. or one of its predecessors in business.

All this took place before the decision of this Court in *Howe Scale Co.* v. *Wyckoff*, 198, U. S. 118, was announced.

The Cincinnati case was argued within a short time after the publication of that decision, but the learned Judge seems to have been more influenced by the decision in the Chicago case and his erroneous assumption

that Herring-Hall-Marvin Co. had acquired the right to use the name Hall's Safe & Lock Co. than by the opinion of this Court.

There is seldom a more striking paralled between two cases, than that which appears between the Howe Scale Co'.s case and the case at bar. As it seems to us to be decisive so far as Appellant's pretensions are concerned, we may be pardoned for calling particular attention to some of the facts brought out and arguments used in that case. It will be observed that whenever the paralled fails the case against the Remingtons was much stronger than the case against the Halls.

Howe Scale Co. v. Wyckoff, 198 U. S. 118, Analyzed and Applied.

The petition alleged:

> "that complainant had been for many years engaged in the manufacture and sale of typewriting machines known in the markets and to the trade and public and referred to, identified, offered for sale and sold as the 'Remington Typewriter' and the 'Remington Standard Typewriter' and that the words 'Remington' and 'Remington Standard' had been registered in the Patent Office under the Act of Congress."

The words "Hall" and "Hall's Standard" had not.

> "and charging defendant with fraud and unfair competition in making use of the corporate name 'Remington-Sholes Co.,' and the designations 'Remington-Sholes,' 'Rem-Sho' and 'Remington-Sholes Co.' in advertising for sale and selling type-

writing machines, and praying for an accounting and for an injunction restraining defendant from advertising or offering for sale or selling typewriting machines manufactured by the 'Remington-Sholes Co.,' bearing the name 'Remington' or 'Remington-Sholes' or 'Rem-Sho' or 'Remington-Sholes Co.,' and from advertising, or offering for sale, or selling any such machines under said designations or under any designation of which the name 'Remington' was a part. (198 U. S. 119.)

"For some years prior to 1860, E. Remington and his three sons were engaged at Ilion, N. Y. in the manufacture of fire arms under the firm name of E. Remington & Sons. The father died in 1863 and in 1865 the sons, who had continued the business, organized the corporation of E. Remington & Sons under the laws of New York. . . . .

In 1873, E. Remington & Sons began the manufacture of a typewriting machine, the most important features of which were invented and patented by Christian Latham Sholes. It was the pioneer writing machine and called 'The Typewriter' and 'The Sholes & Glidden Typewriter,' and in 1880 the names 'Remington' and 'Remington Standard' were used instead as they have since been used continuously.

One of complainant's witnesses testified that the typewriter was called 'Remington' for the reason that the name Remington was known the world over, owning to their building guns for foreign governments, building sewing machines and having one of the largest manufacturing works in the world. In March, 1886, the typewriter branch of the business of E. Remington & Sons was sold to Messrs. Wyckoff, Seamans & Benedict, and there

was also transferred *the exclusive right to the name* 'Standard Remington Typewriter' by which name the assignment states the machines were generally known." (198 U. S. 121, 123.)

In this respect the case was stronger against the Remingtons, for Hall's Safe & Lock Co. did not transfer any exclusive rights, or any rights at all in *trade names.*

"In 1892, Z. G. Sholes, a son of Christopher Latham Sholes, invented a typewriting machine. . . . Later in the year Franklin and Carver Remington, sons of Samuel Remington, formerly President of the E. Remington & Sons corporation, bought a three-fourths interest in Shole's invention, Sholes retaining one-fourth, and a like interest in the stock of the Company, paying from eight to nine thousand dollars." (198 U. S. 122).

"Franklin Remington gave his entire time to the promotion of the enterprise and advanced for expenses from six to seven thousand dollars in addition to the original investment of eight or nine thousand. The name of the machine was subsequently changed by Sholes from 'The Z. G. Sholes' to 'The Remington-Sholes.' Thereafter the Remingtons and Sholes induced Head and Fay of Chicago to furnish funds to manufacture the Remington-Sholes machine; and a corporation organized in the spring of 1894 for its manufacture was designated the 'Remington-Sholes Typewriter Co." (198 U. S. 122-3.)

"The charter of that Company was surrendered in April, 1897, and the 'Remington-Sholes Company' was incorporated under the laws of Illinois and purchased all the assets, good will, trade marks,

trade names, etc., theretofore belonging to Fay and the Remington-Sholes Typewriter Co."

The machines made and sold by the Remington-Sholes Typewriter Co. were plainly marked with the words 'Remington-Sholes, Chicago.' (198 U. S. 123).

The claims made and arguments used for complainants in the Remington case are identical with those used here.

"Respondent is the exclusive owner of all trade names and trade marks of its predecessors relating to the typewriter business." (198 U. S. 129).

"The name 'Remington' which has for many years been generally and widely known to the trade as symbolizing complainant-appellee's product and business, is a very important and valuable part of the good will of its business." (198 U. S. 130).

"It is the case of an *unnecessary use* of a name long previously employed by another in the same business, and in which the use thereof by the second comer constitutes an untrue and deceptive representation." (198 U. S. 131).

"Corporations which do not inherit their names, but assume them voluntarily, may not use their assumed names if such use shall result in the confusion and deception of the public and the displacement of the good will of another's business." (198 U. S. 131).

"That another may have the right to use a particular name, as well as complainant-appellee is unimportant, if appellee's right be exclusive as against appellants." (198 U. S. 132).

The Remington case was important, the industry of counsel for complainant was great and we do not think any case was overlooked that tended in any way to support their contention. All the cases that have been cited and used in this case and many more were therefore brought before the Supreme Court for review. An examination of the brief for complainant-appellee reveals other facts which emphasize the similarity of the two cases in some respects, and the weakness of the Remingtons' case as compared with that of the Halls, in others.

> "Appellee's business had acquired a world wide reputation under the trade name of 'Remington Typewriter Co.' before appellant's principal entered the typewriter field" (p. 33).
>
> "Carver Remington had one share of stock in E. Remington & Sons corporation given to him by his father to qualify him as one of the directors and he was appointed Secretary." (p. 64).

Both boys had an indirect interest in the old Company as sons and heirs at law of Samuel Remington its President. They appear to have been grandsons of E. Remington.

> "The names of Franklin Remington and Carver Remington were not of the slightest value in the typewriter business in which they were engaged. They were unknown to the trade and had never acquired any reputation in the market in connection with the manufacture or sale of typewriters."(p.73).

in which respect the case of the Hall boys is much better.

> "To impress upon the public the belief that the business of this Illinois corporation was a continuation of the character and business of the old Rem-

ington concern and its machines—REAL Remington Typewriters—they stated in their advertisements, and their agents and dealers proclaimed by word of mouth that *their* writing machine was '*the only typewriter manufactured to-day by a Remington*,' and that 'it represents the *second generation* of typewriter manufacturers bearing this great name." (p. 75).

Salesmen were instructed that

> "It (Remington-Sholes Machine) was invented by the son of the man who invented the Remington Standard Typewriter and is being manufactured by the son of the man who started the manufacture of the Remington Standard Machine." (pp. 110, 154).

Letters were delivered by mistake to, and opened by the Remington-Sholes Co., which were intended for complainant. (pp. 135 to 150).

In our case *complainant* got all the letters about which there was any doubt.

Salesmen were also instructed:

> "To add such other interesting facts such as the history of the company, the connection of our Mr. Remington with this machine and the relation of the old Remington Standard, the fact that this is a *second generation of typewriter builders* and that the same standard of excellence is being manifested in the manufacture of this machine as all other goods which have been produced by the Remingtons." (p. 165).

Catalogues and advertisements were introduced in evidence, containing the following expressions:

"REM-SHO TYPEWRITERS.

The only typewriter manufactured by a REMINGTON strong, reliable accurate, it represents the SECOND GENERATION of typewriter manufacturers bearing this great name." (pp. 170, 178, 193)

At the Paris Exposition, 1900, the Remington Sholes Co. had

> "What they termed a 'RETROSPECTIVE EXHIBIT' which consisted of the machines shown in the reproductions produced from photographs thereof, together with photographs of THREE GENERATIONS OF THE REMINGTON FAMILY, grandfather, father and Mr. Franklin Remington." (p. 196).

There was a great deal of evidence to show that the public had been misled and many machines sold to persons who supposed that they were buying the old Remington Typewriters, or were dealing with the old Company. (pp. 198 to 222).

It will be seen that the Remingtons went far beyond the Halls in their attempts to trade on the family reputation and the reputation of the old Company and with much less justification, because, as was pointed out, they were not practical mechanics and had never really learned the trade of manufacturing typewriters.

The Circuit Court of Appeals, whose decision and opinion came before the Supreme Court for review, found among other things, that;

> "the typewriting machines which the corporation and its successor have *continuously manufactured* at Ilion are most favorably known to the public and

are associated in the public mind with the name 'Remington' so that the ordinary purchaser is quite likely to assume that a machine offered to him for sale as a 'Remington' has come from the establishment founded by the Remingtons at Ilion, nearly half a century ago. To this manufacture and trade the complainant succeeded in 1886." (58 C. C. A. 511).

"The defendant is the Remington-Sholes Company. It marks its machines 'Remington-Sholes', 'Rem-Sho', and there can be no doubt upon the record that the use of the name 'Remington' helps the sale of machines and induces many purchasers to suppose that such machines are the product of the old establishment at Ilion." (58 C. C. A. 511).

"The question here is whether the name, '*Remington-Sholes*' which is defendant's designation and which therefore, *impregnates all the literature* it circulates with the name which complainant's predecessors made a household word, was fairly bestowed upon it; and whether the name was fairly placed on the machines." (58 C. C. A. 512).

"Unless the individual is to be debarred from one particular business altogether or compelled to give up the name he inherited, the use of that name by two persons selling the same articles is a necessary evil to which the public must submit. (58 C. C. A. 513).

"In the case of a corporation, however, the situation is different. The choice of its name is voluntary. Such name is an artificial thing which can be selected by its incorporators from the entire vocabulary of names.

"The corporation defendant and its predecessor, the Typewriter Co. acquired their names by the selection of the individuals who organized them. Obviously there was no necessity that either of them should take the name 'Remington' either alone or in combination. The junior Remingtons contributed money to the enterprise and gave—at least one of them did—time and services to its promotion, but they were very far from being the entire corporation. The corporation was a separate entity from them. They chose not to prosecute the typewriter business themselves. Had they done so, good faith toward those who were dealing with them might make it necessary to use their own name. They chose on the contrary to associate themselves with others in a corporation whose name its organizers were free to select" (58 C. C. A. 513, 514).

"We have no doubt whatever that the name 'Remington' was chosen because it was expected that it would naturally lead the public to suppose that the new corporation was either the successor or some branch of the old concern of which appellant observes, 'The name 'Remington' was admittedly a by-word for good workmanship the world over.'" . . . . . .

Under the authorities in this circuit the complainant is entitled to the injunction granted him as to the use of the name 'Remington'" (58 C. C. A. 515).

The following extract from Judge Wallace's dissenting opinion brings out another important point which has a bearing on the case at bar:

"Undoubtedly, in selecting the corporate name, they understood that it might suggest some assoei-

ation with the great concern at Ilion and to that extent that the word 'Remington' was valuable, but *that concern was not engaged in the manufacture of typewriters.*" (58 C. C. A. p. 517).

The Judge, of course, was well aware that they *had* been engaged in the manufacture of typewriters prior to the sale of that branch of their business to Wyckoff, et al.

Hall's Safe & Lock Co. is not engaged in the manufacture of safes and has not been since May, 1892.

These various facts, arguments, authorities and conclusions help us to appreciate the full force of the Supreme Court's decision, and its applicability, almost word for word, to the case at bar.

Mr. Chief Justice Fuller, in announcing the decision of the Court, says, among other things:

> "But it is well settled that a personal name can not be exclusively appropriated by any one as against others having a right to use it; and as the name 'Remington' is an ordinary family surname, it was manifestly incapable of exclusive appropriation as a valid trade mark and its registration as such could not in itself give validity". (198 U. S. 134-5).

He then quotes with approval passages from Mr. Justice Brown's opinion in *Brown Chemical Co.* v. *Meyer*, 139 U. S. 540, and from Mr. Justice White's opinion in *Singer Mfg. Co.* v. *June Mfg. Co.*, 163 U. S. 169: and adds—

> "In the present case, the decree enjoined the use 'in any manner whatsoever of the designation 'Remington' as the name or part of the name, of any typewriter machine whatsoever manufactured by the Remington-Sholes Co., etc. . . . . .

This denies the right to use the personal name rather than aims to correct an abuse of that right, and involves the assertion of the proposition that the use of a family name by a corporation stands on a different footing from its use by individuals or firms. But if every man has the right to use his name reasonably and honestly, in every way, we can not perceive any practical distinction between the use of the name in a firm and its use in a corporation. It is dishonesty in the use that is condemned, whether in a partnership or corporate name, and not the use itself." (198 U. S. 136).

He then quotes from the opinion of Mr. Justice Field in *Goodyear's & Co.* v. *Goodyear Rubber Co.*, 128 U. S. 598.

"Names of such articles can not be adopted as trade marks and be thereby appropriated to the exclusive right of any one; nor will the incorporation of a company in the name of an article of commerce without other specification create any exclusive right to the use of that name."

and adds—

"The principle that one corporation is not entitled to restrain another from using its corporate title, a name to which others have a common right, is sustained by the discussion in *Columbia Mill Co.* v. *Alcorn*, 150 U. S. 460, and is, we think, necessarily applicable to all names *publici juris*.

. . . . . .

"It is said that the use of the word 'Remington' in the name 'Remington-Sholes' was unnecessary, as if necessity were the absolute test of the right to use. *But a person is not obliged to abandon the use of his name or to unreasonably restrict it.*

> The question is whether his use is reasonable and honest, or is calculated to deceive. It is a question of evidence in each case whether there is false representation or not." (198 U. S. 137).

He then quotes with approval Lord Esher's opinion in *Turton & Sons* v. *Turton & Sons*, 42 Ch. Div. 128.

> "Therefore the proposition goes to this length—that if a man is in business and has so carried on his business that his name has become a value in the market, another man must not use his own name. If that other man comes and carries on business, he must *discard his own name and take a false name.* The proposition seems to me so monstrous that the statement of it carries its own repudiation."

and concludes:

> "In our opinion the Remingtons and Sholes made a reasonable and fair use of their names in adopting the name 'Remington-Sholes' for their machine, and in giving that name to the corporation formed for its manufacture and sale." (198 U. S. 138).

If, in view of the facts set forth above, the Remingtons' use of their family name was reasonable and honest, how can the use of their name by the Halls, under the circumstances of this case, be condemned? Discussing this question of fairness, the learned Chief Justice remarks:

> "Doubtless the Remington and Sholes, in using the name 'Remington-Sholes' desired to avail themselves of the general family reputation attached to the two names, but *that* does not in itself justify the assumption that their purpose was to confuse their machines with *complainant's;* or that the use of

that name was in itself calculated to deceive. Remington & Sholes were interested in the old Company, and Remington continued as general manager of the new company. Neither of them was paid for the use of his name and neither of them had parted with the right to that use. Having the right to that use, courts will not interfere where the only confusion, if any, results from a similarity of the names and not from the manner of the use. The essence of the wrong in unfair competition consists in the sale of the goods of one manufacturer or vendor for those of another, and *it defendant so conducts his business as not to palm off its goods as those of complainant, the action fails.*

. . . . . .

We hold that in the absence of contract, fraud or estoppel *any man may use his own name, in all legitimate ways, and as the whole or a part of a corporate name*" (198 U. S. 139, 140).

It would seem to us that, in view of the facts developed in that case, this decision of the Supreme Court should be decisive of the case at bar.

While this decision of the Supreme Court needs no bolstering, it may be well to cite a few cases in other Courts in which the doctrine has been applied under circumstances closely resembling the case at bar.

In *National Starch Mfg. Co.* v. *Duryea*, 41 C. C. A. 244, Duryea was President of Glen Cove Starch Mfg. Co., which for many years made and sold starch in packages having thereon a picture of the factory and the name "Duryea's Starch" in large letters. The Company sold its business, trademarks and good will to complainant which continued the

use of the package and label with its own name as Manufacturer. Duryea agreed not to go into any similar or competing business for five years and became the first president of the new company. At the end of five years he furnished capital to his sons who formed a partnership with others under the name of "Duryea & Co." and sold starch prepared by others as "Starch prepared by Duryea & Co." but used strikingly different labels and packages. Their starch was in fact prepared from formulae furnished by the senior Duryea who subsequently purchased the assets of the firm and continued the business under the firm name of Duryea & Co. There was evidence to show that his product was sold for a less price than complainant's and that retailers furnished it when "Duryea's Starch" was called for.

Here was certainly a case for the interposition of a court of equity if complainant's theory is correct. The position of the senior Duryea was almost identical with that of the Halls. A preliminary injunction was granted by the lower court but set aside in the Circuit Court of Appeals. The Court said:

> "That they gladly welcomed the pecuniary advantage from the right to use the name 'Duryea' is true, but that they presented it to the public as the '*Glen Cove starch*' is not true and . . . . . we think that their starch is shown by the label *not to be the manufacture of the complainant*, as the successor of the Glen Cove Co." (p. 245).

> "The right of Hiram Duryea to enter directly or indirectly into the starch business in Nov. 1895 and his right to permit his name to be used in the new enterprise are admitted. That an incidental interfer-

ence with, and injury to the business of the complainant which had the exclusive right to the use of the well known name or title 'Duryea's Starch' would occur—an injury which would be enhanced by the earnestness of competition in the field which the complainant and its predecessors had labored to occupy—and that an injury from honest competition is not remediable by a court of equity, are also manifest. The point which is urged by the complainant is that the defendants use the name of "Duryea" and have pressed the articles which they sell upon the public by the use of that name 'unaccompanied with any precaution or indication' that the article was not the manufacture of the complainant and thus that their silence is an artifice which misleads." (p. 245).

This objection was not sustained, the court being satisfied that the difference in labels was all that was required. It was apparent that Duryea had the experience and reputation in the starch business which enabled him to sell his starch quite irrespective of its place of manufacture, and the same is true of the Halls. It is not so much the name that troubles the several complainants as the honest competition of the well-known experts who bear the name. This the Courts will not attempt to suppress.

In *Montreal Lithographing Co.* v. *Sabiston* (1899) App. Cas. 610 we have the latest expression of the opinion of the Privy Council in similar cases.

Appellant company being the *transferee of the assets and good will* of the *dissolved* Sabiston Lithographic & Publishing Co. sued to restrain the respondent, a brother of the former president of the dissolved Company, from

carrying on business with his brother in the name of the Sabiston Lithographing & Publishing Co. or any other name so framed as to lead to the belief that his business was in succession to that of the dissolved Company.

> "Held. That the respondent had no right so to represent, but that there was no evidence that he had done so and that the appellants were not entitled to an injunction against the *mere use of the name* (Syl.).

The purchasers from the assignee had incorporated under the name of the "Montreal Lithographing Co. L't'd." (p. 612), and Lord Davey, who also announced an opinion in *Hunt* v. *Trego*,(1896) App. Cas. 25, says:

> "The appellants, on the other hand, were incorporated and registered and have since carried on their business *under a quite different name* and do not allege any intention of using, and indeed have no right to use the old company's name as their trade or firm name. But the appellants have the right to describe themselves as the successors of the old company and as carrying on the same business and they have availed themselves of that right in their circulars. The respondent, on the other hand, has no right to hold himself out as the successor of the old company. But their Lordships cannot find on the evidence in the case that the respondent has done so. There is no representation to that effect in his trade circulars. . . . . .
>
> The evidence and argument all come back to the *mere use of the name* and their Lordships have already expressed their opinion that the appellants are *not entitled to an injunction on that ground alone*". (p. 614.)

In *Knoedler* v. *Boussod*, 47 Fed. 465, 466, Wallace, J. says:

> "It is elementary law that the sale of a business and of its good will does not imply a promise on the part of the vendor not to engage thereafter in a similar business; and the authorities agree that, in the absence of express or implied conditions in the contract of sale to the contrary, the vendor is at liberty to set up a similar business in the same locality and use his own name in carrying it on. The good will of a business comprises those advantages which may inure to the purchaser from holding itself out to the public as *succeeding* to an enterprise which has been identified in the past with the name and repute of its predecessor." (466).

In *Knoedler* v. *Glaenzer*, 55 Fed. 895:

> "The firm of Goupil & Co., Paris & New York, sold to complainant the New York stock, good will &c., together with the right to designate his business as 'Formerly Goupil & Co., M. K. Successor'.
>
> In 1887 the Paris firm which by legal succession had become 'Goupil & Co., of Paris, B. V. & Co. Successors', established a branch of their business in New York under that name. *Held* that they were entitled so to do in the absence of any express contract to the contrary. (Syl. 896, 898).

The Court says (p. 899)

> "Counsel for complainants has cited a number of cases in support of the rule that a person may be enjoined against an unfair or dishonest use of his own name. . . . . But an examination of the cases indicates that they do not apply to a case like the present one. They show that the use of one's

own name has never been enjoined except where it has been accompanied by fraudulent misrepresentations, or imitation of trade marks, or labels, or where the person has by some *express contract* parted with the right to the use of such name, and that *in the absence of such express contract, no abandonment of such right will be presumed.*"

In *Bassett* v. *Percival*, 5 Allen, 345, 347, Bigelow, C. J. said:

"Looking only at the written contract, we are unable to see any clause which can be construed into an agreement by the defendant's testator to refrain from engaging in a similar business to that which he sold to the plaintiffs. There was no *express agreement to that effect, nor can any be implied from that clause of the bill of sale by which the vendor conveys the good will of the store and premises.* It was nothing more than a sale of the custom or trade which appertained to the place where the vendor was then carrying on his business. . . . Wherever such is the intent of the parties it is carried into effect by an *express stipulation*, which, if not in undue restraint of trade, may be valid and binding. *But we know of no such case where any agreement has been raised by mere implication, arising from the sale of the good will* of a person's trade, in connection with a particular business where it has been carried on."

This language is quoted with approval and the principle recognized in the later case of *Hoxie* v. *Chaney*, 143 Mass. 592, 595, 596.

In *Lawrence, Adm'r.* v. *Hull*, 169 Mass. 250, Lawrence, since deceased, sold to his three partners constituting the firm of Lawrence, Wilde & Co.

"all my right, title and interest to and in any and all things and property of whatsoever name or nature in which I have an undivided interest with said Hull, Wilde & Darrow as a member of the late firm of Lawrence, Wilde & Co., which copartnership expired by limatation on the 31st day of Jan., 1889."

Judge Holmes said:

"The words of conveyance are thought to carry the *right to use the firm name* by implication. We are of opinion that they do not have that effect" (pp. 251, 252).

In *Marcus Ward & Co.* v. *Ward*, 40 N. Y. St. Rep. 792:

"The defendant, William H. Ward, is in fact a son of the late Marcus Ward and had a perfect right to represent himself as such. In the agreement which transferred the business of the late firm of Marcus Ward & Co. to the plaintiff corporation, known as 'Marcus Ward & Co. L't'd.,' there was no covenant or engagement on the part of the vendors not to engage in the same business. The defendant, William H. Ward, was therefore entirely at liberty to organize a new firm with his codefendant when he could no longer get on harmoniously with the directors of the corporation and found it necessary or expedient to go into business for himself. He was only stating the truth when he described himself as 'Marcus Ward's Son' and as 'late of the firm of Marcus Ward & Co." (p. 793).

In *Morgan* v. *Schuyler*, 79 N. Y. 490, 494, the Court says:

"*no case holds that the good will includes the right to a continued use of the name of the firm.* Indeed in such a case the retiring partner would have given

up the advantages, but remained liable to the risks and burdens of business, for if his name continued upon the signs or other advertisements of the firm, he would be bound to every one who gave credit thereto, in ignorance of the real state of the case, and liable for all debts contracted in the firm name" (p. 494).

In *Reeves* v. *Denicke*, 12 Abb. Pr. (N. S.) 92, 97, it was held that:

"A purchaser of all the partnership property of a firm, on their dissolution, *does not thereby acquire the right to use the firm name* as a label on his goods or to advertise himself as the successor of such firm and will be restrained in so doing" (Syl.).

"There was no restraint upon the retiring partner holding him from engaging in a similar business; and he violated no obligation to the defendants by forming a new firm under his own name and transacting a business in all respects like that which he had released to them" (p. 97).

In *Wm. Rogers Mfg. Co.* v. *Simpson*, 54 Conn. 527, Wm. Rogers had been employed by plaintiff and the Meriden Brittania Co. for thirteen years (pp. 563, 564). He withdrew and organized the Wm. Rogers Mfg. Co.

"It stamped its goods '(eagle) Wm. Rogers (★)' for the purpose of informing the public that they were the product of the skill of Wm. Rogers, Jr. for the purpose of taking advantage of his reputation in the market; a reputation acquired because of the knowledge of the public that he had been associated with, and *had acquired skill in the art, from his father and others. He had been known to the trade during many years and had acquired and retained a valuable independent reputation in the*

market; and goods known to have been the product of his skill alone had for that reason a better selling value" (p. 563).

The Court refused to enjoin the Company from doing business in that name.

In *Cottrell* v. *Babcock Printing Press Mfg. Co.* 54 Conn. 122, 138, 139, the Court said:

> "In the contract terminating the partnership relation which had existed between Cottrell and Babcock, it is provided *that no business shall thereafter be carried on in the name of the firm; thus reserving to each the full right to the use of his own name.* . . . . . .
>
> By purchasing the good will merely, Cottrell secured the right to conduct the old business at the old stand, with the probability in his favor that old customers would continue to go there. If he desired more he should have secured it by *positive agreement;* presumptively he obtained all that he desired. At any rate the *express contract is the measure of his right;* and since that *conveys a good will in terms but says no more, the Court will not upon inference deny to the vendor* the possibility of successful competition by all lawful means with the vendee in the same business. *No restraint upon trade may rest upon inference*" (pp. 138, 139).

In *Williams* v. *Farrand*, 88 Mich. 473, complainants bought out the interest of defendants in the old firm of Williams, Farrand & Co. The bill of sale assigned "all our right, title and interest in the firm of Farrand, Williams & Co." Complainants adopted the name of "Williams, Sheley & Brooks, successors to Farrand, Williams & Co." Defendants afterwards

formed a partnership under the name of "Farrand, Williams & Clark," and proceeded to do business in another store near by (p. 476). Complainants sought to enjoin them from doing business in that name on the ground that it was liable to be taken for the old firm name.

The Court said in affirming the judgment of the Court below, dismissing the bill:

> "A retiring partner conveys, in addition to his interest in the tangible effects, simply the advantages that an established business possesses over a new enterprise. The old business is an assured success; the new an experiment. The old busjness is a going business, and produces its accustomed profits on the day after the transfer. It is capital already invested and earning profits. The continuing partner gets these advantages. The new business must be built up. . . . . .
>
> "He sells only those advantages and incidents which attach to the property and location rather than those which attach to the person of the vendor. T. Pars. Partn. 409" (p. 483).
>
> "The rule that upon a dissolution of a firm neither partner has the right to use the firm name, as well as the other rule that a retiring partner has no right to use the old firm name, are both subject to the exception that *a person has the right to use his own name unless he has expressly covenanted otherwise*" (p. 488).
>
> "In the present case, Mr. Farrand's name has been at the head of the firm name for nearly half a century and the name of another of the retiring members corresponded with the only other surname used in the old firm name. It must have been

evident to complainants that in any event the name of the new firm would be similar to that of the old firm. If complainants desired any protection against such a use of the names of the retiring members, they should have inserted a provision to that effect in the bill of sale. The right to continue the use of the firm name, as well as a restriction upon the use by a retiring partner of his own name, are proper subjects of bargain, sale and agreement. Here neither have been purchased. . . . . .

Defendants have the right to use their own names, or any collocation of their own names. They have not adopted the old firm name, although it would have been appropriate. They have adopted no fictitious name. There is no deception in the name adopted by them" (p. 489).

"Any collocation of the names of Farrand and Williams would create some confusion. Defendant Clark had been connected with the old business for 30 years and Williams, the son-in-law of Mr. Farrand, for 21 years. . . . . .

In every letter head, bill head, card, or advertisement in which their firm name appears they give the individual names of the members of the firm, the new place of business and in no case have they represented that they are successors to the old firm" (p. 494).

In *White* v. *Trowbridge*, 216 Pa. St. 11, the defendant, W. S. Trowbridge, engaged in the manufacture of molasses candy, coated with chocolate which he sold as "Trowbridge's Chocolate Chips," adopted as a trade mark "Trowbridge's Chocolate Velvet Chips" and a representation of a bucket filled with chocolate chips. He sold an undivided one-third interest to White &

Bender and formed a partnership with them under the firm name of "Trowbridge Chocolate Chip Company." Afterwards the partnership was dissolved, White & Bender having purchased from Trowbridge "all the rights, title, interest, property and claim of him * * * to, and in the said partnership business, together with the *good will, rights, property*; * * *with all other rights or property used in or connected with the said business and the prosecution thereof*" (pp. 11, 13).

Plaintiffs continued to carry on the business under the same name and in the same place, stamping their chips and labeling their packages with the name "Trowbridge" (p. 13).

Nine months after this sale the defendant began again the manufacture of chocolate chips similar in form and appearance, and by correspondence with dealers and otherwise held himself out as being the "originator of the chocolate chips" but his trade marks and labels were not so similar to the others as to deceive a person of ordinary intelligence (pp. 15, 18).

A bill to enjoin him from carrying on such a business in his own name was dismissed in the Court below, and this decision was affirmed in the Supreme Court, The Court said among other things:

> "Counsel for appellants have here advanced the proposition that by the mere transfer of his interest in the *good will* of the business, the defendant was precluded from entering into a similar business in the same town and prosecuting it in competition with the old firm, of which he had been a member. The position is wholly untenable." (p. 19)

and quotes with approval from *Williams* v. *Farrand*, (*Supra*);

> "A retiring partner conveys in addition to his interest in the tangible effects simply the advantage that an established business possesses over a new enterprise." (p. 20).

The Court goes on to say;

> "So long as the defendant does not attempt to sell his goods as those of the old firm, or represent that his business is a continuation of the old firm, he is at liberty to engage under his own name, honestly and in good faith in the same line of business in the same locality. * * *
>
> "The defendant is not deprived of the right to use his own name in connection with the conduct of his business simply from the fact that his surname is a portion of the trade-mark used by the co-partnership of which he was formerly a member, and whose business has been continued by plaintiffs." (p. 20.)
>
> "He also has the right to hold himself out as the person who invented or originated the kind of wares he offers for sale subject to the same limitations." (p. 21.)
>
> "The labels of defendant distinctly relate to his own manufacture and show that the goods are those of W. S. Trowbridge, and not those of the plaintiffs, The Trowbridge Chocolate Chip Co." (p. 21.)
>
> "In fact, the real difficulty in this case is, that the plaintiffs have reason to fear, not that the public will be deceived, but that, if the fact becomes known that the defendant is engaged in the same business, the public will purposely purchase the goods made by him for the reason that he was and is the origi-

nator of the confection known as Chocolate Chips. In other words, what the plaintiffs really desire is protection from the business competition of the defendant carried on openly and frankly by him under his own name. As we have already seen, this is something which they did not provide for under the terms of the written agreement when they purchased from him his interest in the business, and they cannot now be permitted indirectly to attain this end which they failed to stipulate expressly for in negotiating the purchase, and which, presumably, was not included in fixing the amount of the consideration." (p. 22.)

The case of *Iowa Seed Co.* v. *Dorr*, 70 Ia. 481, 485, is very similar. The Court said:

"The clearly distinguishing feature of this case from the most of the authorities to which our attention has been directed, is that *plaintiff has not adopted*, conceding it had the right to do so, *the name of* '*C. W. Dorr & Co.*' At most, it only claims to be the successor of C. W. Dorr & Co. and the right to use the labels, tags, &c. which it purchased. It may be that its claim in this respect is well founded, but it does not necessarily follow that it can prevent the defendant from using that name, *when the plaintiff has not at any time transacted business in such a name.* It certainly by its purchase *did not acquire any right to the name of* '*C. W. Dorr*' *nor did it acquire his business knowledge and experience.* C. W. Dorr clearly has the right to go into business in his own name and we can not see why he cannot do so under the name of C. W. Dorr & Co. unless in so doing he misleads the public or encroaches on the rights of the plaintiff" (p. 485).

See also

Moreau v. *Edwards*, 2 Tenn. Ch. 347, 349.

McGowan Bros. Pump Co. v *McGowan*, 22 O. S. 370.

Chattanooga Med. Co. v. *Thedford*, 58 Fed. 347, 349.

Fish Bro. Wagon Co. v. *LaBelle Wagon Works*. 82 Wisc. 546, 563.

Hazelton Boiler Co. v. *Hazelton*, 142 Ill. 495, 507, 508 (distinguishing Frazer v. Frazer Lubricator Co. 121 Ill. 147).

Helmbold v. *Helmbold M'f'g. Co.* 53 How. 457, 459.

Horton M'f'g Co. v. *Horton M'f'g Co.* 18 Fed. 817.

Armington & Sims Co. v. *Palmer*, 21 R. I. 109. 111, 116.

Bagby & Rivers Co. v. *Rivers*, 87 Md. 400, 419, 420.

In view of the absence of any express license to use the name of Hall's Safe & Lock Co., the provision, on the contrary, that the name of the new Company shall be Herring-Hall-Marvin Co., the further provision for the *dissolution* of Hall's Safe & Lock Co., and the above authorities, we claim that Judge Clark erred in his opinion that

> "There can be no doubt that it acquired the good will, with the right to use the trade name, if it chose to do so, and undoubtedly with the exclusive right to manufacture and sell the trade product known to the markets of the country as the Halls' Safes.
>
> The fact that there was a provision in the contract that the original Hall's Safe & Lock Co. should go out of business and wind itself up, is of

itself quite conclusive in support of these several propositions" (p. 341).

And the Circuit Court of Appeals was right in modifying his injunction and permitting the use of the family name "Hall" in the name of the new company.

The principals for which we contend are recognized in many of complainant's cases. See for example:

Holmes, Booth & Haydens v. *Holmes, Booth & Atwood M'f'g. Co.* 37 Conn. 295.

Where the Court says:

> "At the *dissolution* of the partnership, the partners revert back to their individual rights and responsibilities and *each partner, in the absence of any agreement to the contrary, has an absolute write to control the use of his own name. In all these respects there is no difference between a corporation and a partnership.*"

and in *Treganv. Hunt*, (1896) App. Cas. 7, Lord Herschel said:

> "I think however it must be treated as settled that whenever the good will of a business is sold the vendor does not, by reason only of that sale, come under a restriction not to carry on a competing business." (p. 20.)
>
> "If he has not bound himself by *special stipulation* and if there is no evidence of the understanding of the parties beyond that which is to be found in all cases he is free to carry on his business wherever he chooses. (p. 24.)

and Lord Davey said:

> "he may advertise himself as having been a

partner in, or the founder, or manager of the business which he has sold, provided he does not represent that the business which he is carrying on is the same business as, or identical with that which he has sold. . . . . .

"It has been well settled by a series of cases that in *the sale of a good will or business no convenant is implied* that the vendor will not start a new business in opposition to the purchaser of the old business." (p. 27.)

Complainant's Cases Distinguished.

These facts clearly distinguish the case at bar from all the cases cited for complainant, which may be classified as follows:

(1) Cases in which the name in dispute was made a trade mark, used on labels, brands, &c. and given to the firm, or corporation, by the retiring partner or stockholder, the firm or company going on as before:

Richmond Nervine Co. v. *Richmond*, 159 U. S. 293, 298 to 300
Russia Cement Co. v. *Le Page*, 147 Mass. 206, 211
Le Page v. *Russia Cement Co.*, 51 Fed. 941.
Hoxie v. *Chaney*, 143 Mass. 592
Merry v. *Hoopes*, 111 N. Y. 415
Frazer v. *Frazer Lubricator Co.*, 121 Ill. 147, 157, 159
Spicker v. *Lash*, 102 Cal. 38, 42

(2) Cases in which the vendor sold out his interest in a firm, or his stock in a company, which he had organized and to which he had given his name or some artificial name, and which by the terms of the agreement kept right on doing business in that name:

Menendez v. *Holt*, 128 U. S. 514, 522.
Chas. S. Higgins Co. v. *Higgins Soap Co.*, 144 N. Y. 462.

Meyers v. *Kalamazoo Buggy Co.*, 54 Mich. 215.
Dodge Stationery Co. v. *Dodge*, 145 Cal. 380, 386, 387.
Holmes, Booth & Haydens, v. *Holmes, Booth & Atwood Mfg. Co.*, 37 Conn. 278, 295.
Noera v. *Williams Mfg. Co.*, 158 Mass. 110.
Smith v. *Brand*, 67 N. J. Eq. 529.
Lamb Knit Goods Co v. *Lamb Glove & Mitten Co.*, 120 Mich. 159.
Penberthy Injector Co. v. *Lee-Penberthy Injector Co.*, 120 Mich. 174.
Brass & Iron Works, v. *Payne*, 50 O. S. 115, 116, 117.
Burckhardt v. *Burckhardt*, 36 O. S. 261, 279.
Same case, 42 O. S. 474, 476, 477.
Labouchere v. *Dawson*, L. R. 13 Eq. 322.

(3) Cases in which corporate *franchises*, *name* and *good will* in the hands of a receiver are sold under an order of Court *expressly* naming such things:

Peck Bros. & Co. v. *Peck Bros. Co.*, 51 C. C. A. 251.

(4) Cases in which a dissolution of partnership is effected by legal proceedings and the property and good will of the firm are sold to that partner who bids the highest:

Levy v. *Walker*, 10 Ch. D. 436.
Snyder Mfg. Co. v. *Snyder*, 54 O. S. 86, 93.

In the latter case the order provided that the "purchaser shall have the right to carry on the business as a successor of the Snyder Mfg. Co.," but states

"the Court does not pass upon or make any order whatever as to what name said purchaser would have the right to use in carrying on said business" (p. 93).

Afterwards this same Court enjoined the purchaser from using, and incorporating under, the name Snyder Mfg. Co., but the Supreme Court reversed the decision on the ground that to permit one of the partners to use that name if he purchased and not to permit the other to do so if *he* purchased would be inequitable. It will be observed that no question was raised in either of these cases as to the right of the retiring partner to enter into a similar business and to use his (or her) name in such business.

Trego v. *Hunt*, (1896) App. Cas. 7—is peculiar. In that case Hunt was admitted as a partner in an old established firm, the articles providing that the partnership should terminate in seven years and that at the end of the term the good will should remain the sole property of Anna Trego. Just before the end of the term, Hunt set bookkeepers and clerks to work copying out the names and addresses of customers, etc., with the avowed purpose of using the information thus secured in setting up a competing business. He was enjoined from so doing. It has no bearing on the question involved in this case.

Have the Halls parted with their right to use their name in business?

Passing by all the remarkable coincidences in the facts of the two cases and seeking to diminish the force and effect of the Court's reasoning and conclusions as applied to the facts of this case, counsel for Com-

plainant seizes upon the *exceptions* noted in the opinion and claims that the *Halls* are barred by *contract* from their natural right to use their names and that therefore, *Howe Scale Co.* v. *Wyckoff* does not apply. If he is right in this contention, or if that is the real ground of his action then his proper remedy is an action at law for damages for breach of contract, or a suit in equity for specific performance *setting out the contract*, and not a suit for unfair competition.

Von Faber-Castell, v. *Faber*, 139 Fed. 257, 260.

In a suit based upon *contract*, the weakness of complainant's case would be instantly exposed. What is the contract? With whom was it made? What was the subject matter? The defendants, Edward C. Hall and William H. Hall, had contracts with Herring-Hall-Marvin Co. from which they were released. These are set forth in the answer. They had no other contracts. The defendant, Charles O. Hall and the other brothers entered into no contracts of any sort with Herring-Hall Marvin Co.

But complainant's counsel says they are bound by the Company's contract and bill of sale to Cox & Segur, because, *as stockholders*, they agreed that the *Company* might dispose of *its* property and business and cause *itself* to be wound up and dissolved. The contract and bill of sale, however, speak only of the *Company's* rights, property and business. They do not assume to dispose of any of the stockholders' rights, property and business. The *Company agrees to go into liquidation and dissolve as soon as it can be wound up under the laws of Ohio.*"

Does this require that the individual stockholders shall cease to do business and commit hara-kari?

The cases cited for Complainant have no relation to the facts of this case.

In *State* v. *Standard Oil Co.*, 49 O. S. 137, 177, 184, the Court held that where all the officers and all the stockholders of a Company united with the officers and stockholders of other companies for the purpose of effecting an illegal trust and controlling the action of their own company in accordance therewith.

> "And where the act so done is *ultra vires* of the corporation and against public policy and was done by them in their individual capacity *for the purpose of concealing their real purpose and object*, the act should be regarded as the act of the corporation and, to *prevent the abuse of corporate power*, may be challenged as such by the state in a proceeding in *quo warranto*" (pp. 184-5).

In *McKinley* v. *Wheeler*, 130 U. S. 630, the court says:

> "The sole question presented for our determination is whether a corporation created under the laws of one of the states of the Union, all of whose members are citizens of the U. S., is competent to locate or join in the location of a mining claim upon the public lands of the United States in like manner as individual citizens" (631-2).

and further

> "The doctrine is well established *that rights with respect to property held by citizens are not lost because they unite themselves into corporate bodies.* They are subsequently as able to invoke the law for the enforcement of their rights as previously, the courts in such cases looking through the name in order

to protect those whom the name represents" (pp. 634-5).

which is pretty good doctrine for defendants.

In *Anthony* v. *American Glucose Co.*, 146 N. Y. 407,

> "A new corporation having been organized by the transfer to it of the property and business of certain original corporations, upon an agreement between the corporators of all of them that payment for the transfer should be made by apportioning *to the original stockholders the whole of the stock of the new corporation*," &c.

It was held that one of the original stockholders might maintain an action for the delivery to him of his share of the stock,

> "It appearing that the new corporation owed a contract duty directly to the individual corporators and not to their corporate entities" (pp. 412, 413).

Kidd v. *Johnson*, 100 U. S. is a *trade mark* case, pure and simple. The only question was whether the purchasers of the business carried on by S. N. Pike & Co. had the right to use the brand "*S. N. Pike's Magnolia Whiskey*" theretofore placed on all its product by the vendors. At the time of the sale;

> "Pike executed and delivered to the purchasers a separate instrument, stating that, having sold his premises to them he extended to them and their successors the *use of all his brands used by him in his Cincinnati house*." (p. 618).

Here was an *express contract* for the use of the name and trade mark, such as does not exist in our case.

In *Churton* v. *Douglas*, Johns. 174, the facts are that John Douglas had been carrying on business with others

under the name of "*John Douglas & Co.*" They sold this business and the good will thereof to plaintiffs who carried on the business under the name of Churton, Bankart & Hirst, late John Douglas & Co. (177) Before the year was out Douglas alone opened up a store next door to the old place of business and took the identical name of the old firm, "John Douglas & Co." He was enjoined from carrying on business in that name, but the Court affirmed his right to carry on a similar business in his own name, "John Douglas."

The Court says

> "I use the expression *similar* business purposely in order to distinguish the case I am supposing from one where, as here, the vendor seeks to set up again the *identical* business which he has professed to sell. Upon a sale of the good will of a business the vendor is not precluded from carrying on a *precisely similar business with all the advantages he may be able to acquire from his own industry and labor and from the regard people may have for him*, and that in a place next door, for example, to the very place where the former business was carried on. And upon the authorities it is settled that if the purchaser wishes to prevent that step from being taken, it is his fault if he does not take care to insert provisions to that effect in the deed." (p. 187)

Hill v. *Fearis*, (1905) 1 Ch. 466, is authority for but a single proposition. A surviving partner who carries on the business in the old firm name without any contract with the heirs or executors of the deceased partner, is liable to account to the representatives of the deceased partner not only for his share of the capital invested,

but for the value of the *firm name*, which he has been using.

Birmingham Vinegar Co. v. *Liverpool Vinegar Co.* &c. 4 Times L. R. 613, falls under that class of cases where a person, who for a consideration has allowed the use of his name in the brands, or labels on the product of a firm, or company, cannot give the same right to another company.

Drake Medicine Co. v. *Glessner*, 68 O. S. 337; is simply a case of close imitation of labels by the defendant for the purpose of selling his medicine as and for plaintiff's well advertised nostrum. It has no bearing on the facts of this case.

Walter Baker v. *Slack*, 130 Fed. 514, was decided about the time this suit was brought and is authority for the proposition that the first person who uses his name in a particular line of business and advertises it extensively, acquires a monopoly on the use of that name in that business, so that no one else of the same name may engage in a similar business or sell the product of any one engaged in a similar business, without conditions and explanations which are simply impracticable in ordinary business. We do not think it would stand the test of judicial review in the Supreme Court of the United States.

None of these cases support the contention of Complainant's counsel that the contract of the Company for the sale of *its* business and property is the contract of the stockholders and binds them individually.

There has been no decision, of which we are aware, that goes to the extent claimed by counsel for complain-

ant, or reverses the holding of the U. S. Supreme Court in *Bank of Augusta* v. *Earle*, 13 Pet. 519, 586, 587.

Commenting on *Bank of U. S.* v. *Deveaux*, the Court says in that case;

> "But the principle has never been extended any farther than it was carried in that case; *and has never been supposed to extend to contracts made by a corporation;* especially in another sovereignty. If it were held to embrace contracts, and that the members of a corporation were to be regarded as individuals carrying on business in their corporate name and therefore entitled to the privileges of citizens in matters of contract, it is very clear that they must at the same time take upon themselves the liability of citizens and be bound by their contracts in like manner. The result of this would be to make a corporation a mere partnership in business in which each stockholder would be liable to the whole extent of his property for the debts of the corporation" (p. 586).
>
> *Whenever a corporation makes a contract it is the contract of the legal entity or the artificial being created by the charter, and not the contract of the individual members.* The only rights which it can claim are the rights given to it in that character and not the rights which belong to its members as citizens of a State" (p. 587).

In *Richmond Construction Co.* v. *Richmond R. R. Co.* 31 U. S. App. 704, 712, Judge Lurton had occasion to pass on a similar question. He said:

> They contend that under the evidence in this case the contract Co. was in legal effect the R. R. Co. and that engagements made by it were in legal effect engagements made by the R. R. Co. In support

> of this, the appellants have endeavored to show that the *stockholders in each corporation were the same* and that the Contract Co. dominated and controlled the R. R. Co. The Contract Co. was a legal corporation wholly distinct and separate from the R. R. Co. The fact that the stockholders in each may have been the same persons, does not operate to destroy the legal entity of either corporation" (Syl. 2, pp. 712, 713).

In *Bronson* v. *La Crosse R. R. Co.* 2 Wall. 302, where certain stockholders of a company undertook to make a defense for the corporation, the latter not having entered its appearance, the Court says:

> "The corporation not being before the Court, it would not be bound by any order or decree rendered against it, nor by any admissions made in the answer or stipulations that might be entered into by the parties or their counsel."

In *Van Allen* v. *The Assessors*, 3 Wall. 584, the Court says:

> "The corporation is the legal owner of all the property of the bank, real and personal; and within the powers conferred upon it by the charter and for the purpose for which it is created can deal with the corporate property as absolutely as a private individual can deal with his own. This is familiar law and will be found in every work that may be opened on the subject of corporations."

and quotes with approval Lord Denman's observation in *Queen* v. *Armand*, 9 Ad. & E. (*N. S.*) 806:

> "The individual members of the corporation are no doubt interested in one sense in the property of the corporation as they may derive benefits from

its increase or loss from its decrease; but *in no legal sense are the individual members the owners.*"

Many other cases might be cited to the general proposition that, in matters of property, right of control and of contract, the corporation is a legal entity entirely distinct from the stockholders and that the corporation can no more dispose of their individual property and rights than they, as individuals, can dispose of its. It is a startling novelty to assert that when a stockholder assents to the *dissolution* of a corporation, he thereby shuts himself off from the right to engage in the same *business* or to use his individual name in such business, and that, when he has given his assent for the express purpose of clearing the field for his own future use, he shall not be allowed to enter that field.

For purposes of *remedy* courts will, when necessary, look through the corporation to the stockholders. But in dealing with questions of *contract* courts always consider the corporation and its stockholders as wholly distinct. This is the principle of Bank of Augusta v. Earle.

The fallacy of the argument which identifies the selling company and its stockholders here, is this:

By merely assenting to the making of this contract by the corporation, not only did each stockholder become personally a party to it but its subject matter was, *ipso facto*, enlarged so as to include in the conveyance made by the corporation the individual rights and property of the stockholder, as well as those of the corporation.

The mere statement of the proposition in its exact terms refutes it. And it proves too much. The corpora-

tion agreed that it would not thereafter engage in the safe business. Therefore none of the stockholders could do so, if the proposition be sound. Counsel recoils from this conclusion. Yet there is exactly the same basis for it as there is for the conclusion contended for, viz: that because the company, according to the claim of counsel, granted the right to the name "Hall" in one collocation of words, no stockholder, though his true name be Hall, can use it in another distinct collocation.

Counsel cannot face both ways. When he admits, as he does, that each individual Hall may go into the safe business, provided he do not represent it as the old business acquired by complainant, he is forced also to admit that each Hall may use the name Hall in that business, provided he do it so as not to make believe the name he uses is that of the corporation to whose business complainant succeeded.

The whole trouble arises from confounding assent to corporate action with contract for personal action.

Hall's Safe & Lock Co. did not grant the right to use its name.

If it were possible to bind the individual stockholders by making a contract with the Company, Complainant must still fail in its contention, for it did not secure from Hall's Safe & Lock Co. its franchise or the right to use its name. As we have heretofore stated (supra, pp. 2 to 4) the Company retained its franchise, corporate existence, and of course its name, until it was formally dissolved by decree of Court more than three years after it had disposed of its business and property.

No other Company had the right during that time to use that name. The stockholders retained their stock. Not a share of it passed to the purchasers. So far from permitting the use of its name by the purchasers, it was stipulated as a *condition precedent*, in the option given to the purchasers and assented to by the stockholders, that the name of the new company should be HERRING-HALL-MARVIN COMPANY. The new company was organized *with that name*, and the first article of the Charter provided that it was "*to be used in its dealings*," before any sale, or transfer was made. (Defts' Ex. No. 268, at p. 345; Defts' Ex. No. 262, p. 316). The first step taken by the Herring-Hall-Marvin Co., was to advise all the dealers, agents and customers of Hall's Safe & Lock Co. that said company was "*no longer in existence*," that they had been succeeded in business by the Herring-Hall-Marvin Co., that all deposits, checks and correspondence were to be in the name of Herring-Hall-Marvin Co. and that where it related to an old deal which was effected by Hall's Safe & Lock Co. the letters were to be signed—Herring-Hall-Marvin Co. *Successors*—(Defts' Exhibits, Nos. 215 to 219 incl., pp. 311 to 314).

Severin Ebel, W. H. Hall and E. C. Hall testify that shortly after the transfer, the old names, "Hall's Safe & Lock Co." on the factory buildings, office and Burnet House store were all painted out, and the name "Herring-Hall-Marvin Co." painted in; that Hall's Safe & Lock Co.'s stores in New York and Philadelphia were immediately abandoned and the old signs were taken down and never put up again; and that the only

name which appeared on the new Company's stores in those places was the corporate name "Herring-Hall-Marvin Co." (Ebel. pp. 109, 114; W. H. Hall, pp. 151, 152; E. C. Hall, pp. 226 to 228).

All new stationery was ordered with the name "Herring-Hall-Marvin Co." and the name "Hall's Safe & Lock Co." did not appear anywhere upon it. Where there was any considerable stock of letter heads on hand they were altered by having a heavy bar printed across the old name and the words "Herring-Hall-Marvin Co." printed underneath. (See Deft's. Ex. No. 225, p. 477).

When Herring-Hall-Marvin Co. took over the business of Hall's Safe & Lock Co. there was on hand a large number of morocco bound illustrated catalogues, which became the property of the new company and they continued to use them. They were for the use of agents and traveling salesmen and were supposed not to go out of their hands. When customers asked for prices and styles of safes, a leaflet was given them showing safes of about the size and style called for. These were all printed with the name Herring-Hall-Marvin Co. on them in place of Hall's Safe & Lock Co. (Pullen, pp. 59, 72; W. H. Hall, pp. 149, 162).

The Herring-Hall-Marvin Co. got up a new and very elaborate illustrated catalogue in 1897 and a separate price list. The names "Hall's Safe & Lock Co." "Hall's Safes" and "Hall's Standard Safes" do not appear anywhere in it. The name "Herring-Hall-Marvin Co." is at the head of every page and the name "Standard", without the word "Hall", is found on pages 52,

and 54 to 57 incl. (Deft's Ex. Nos. 202, pp. 472, 209, p. 474; Pullen, pp. 77, 84).

This was more than five years after Hall's Safe & Lock Co. sold out and more than a year after the Halls left the Herring-Hall-Marvin Co., and incorporated The Hall's Safe Co.

Until after August, 1895, the safes of Herring-Hall-Marvin Co. were marked with the name of the Company and the place of manufacture or sale. No such words as "Hall's Safes," or "Hall's Standard Safes," or "Hall's Safe & Lock Co." were placed on them after the safes on hand where shipped out. Palm Bros. who furnished all of the transfers used in lettering safes for the various concerns had no order for any such transfers from May, 1892, to August, 1904, after the beginning of this suit, when plaintiff ordered some with the name "HALL'S STANDARD SAFES" (Pullen, pp. 78, 79; Palm, pp. 128, 130, 131. Ebel, pp. 111, 116, 119, 120; W. H. Hall, pp. 149, 150; E. C. Hall, pp. 228 to 230).

Neither the Herring-Hall-Marvin Co. nor its receivers ever spent any money in advertising "Hall's Safes", or "Hall's Standard Safes" or "Hall's Safe & Lock Co." The name "Hall's Safe & Lock Co." was taken out of all city and business directories and did not appear again until shortly before this suit was brought (Pullen, pp. 81, 84; W. H. Hall, pp. 146, 153; E. C. Hall, p. 228, 230.

Herring-Hall-Marvin Co. abandoned the old Hall's Safe & Lock factory in Cincinnati and moved to Hamilton, O. in the summer and fall of 1897. They never had an office or place of business in Cincinnati from that time until after this suit was brought. It was after they had

abandoned the old Hall's Safe & Lock factory that they first thought of advertising themselves on their envelopes and stationery as "Successors of Hall's Safe & Lock Co., *Operating Hall's Safe & Lock Works*," and this was more than a year after The Hall's Safe Co. had been incorporated (Defts'. Ex's Nos. 223 to 227, pp. 477 to 478; 286 to 309, pp. 479 to 487; Macbrair, pp. 122 to 125; Palm, pp. 128 to 131; W. H. Hall, pp. 145, 149, 150, 152; E. C. Hall, pp. 224, 229, 234).

Complainant's witness, Mr. Pullen, testifies that neither he nor the receivers of Herring-Hall-Marvin Co. ever used the name "Hall's Safe & Lock Co." in their correspondence. This is contradicted, but the significant fact is that Mr. Pullen regarded it as improper to do so. He says:

> "X. Q. 188—When you receive letters at Hamilton addressed to Hall's Safe & Lock Co. in what name do you answer them?
>
> A. The Herring-Hall-Marvin Co. or the Herring-Hall-Marvin Safe Co., invariably referring to the fact that we received the letter, acknowledging the receipt of the letter, and advising that the Herring-Hall-Marvin Co., or the Herring-Hall-Marvin Safe Co., who was the successor to the Hall's Safe & Lock Co., whose plant was now located at Hamilton, &c. in that strain. *There was never any deception used by me or permitted by one of my employees.*"
>
> X. Q. 190—Did you ever use the name of the Hall's Safe & Lock Co. in your correspondence?
>
> A. Knowingly I never have, no sir, except as alluded to herein" (pp. 81, 100).

The allegations of the petition that

> "Immediately upon the organization of said Herring-Hall-Marvin Company, its said plant at Cincinnati, acquired from said Hall's Safe & Lock Company, was designated * * * as Hall's Safe & Lock Works and it advertised and held itself out and was known to the trade as the successor of said Hall's Safe & Lock Co. and as operating Hall's Safe & Lock Works. Its buildings were covered with signs lettered 'Hall's Safe & Lock Works' and its safes were marked 'Hall's Safe & Lock Works' and designated as 'Hall's Standard Safe' (pp. 5, 6).

are contradicted by complainant's own witness, Mr. Pullen, as well as by defendant's witnesses and all the documentary evidence in the case which has any bearing on the fact. No such names appeared on the buildings, or anywhere else, until June, 1895, more than three years after Herring-Hall-Marvin Co., had acquired the property and business and after E. C. Hall and W. H. Hall had been deposed from their respective offices as President and Treasurer. (Pullen, pp. 45, 46, 87, 88; E. C. Hall, pp. 221, 225). The record Pullen refers to, as confirming his recollection, is his own report to the Board that the buildings had been repainted. It says nothing about *signs*. (pp 66, 67).

The testimony of John H. Winder, the man who painted the signs, Severin Ebel, the man who superintended the painting, W. H. Hall, who contracted for the same, and E. C. Hall shows that the names were not altered to Hall's Safe & Lock *Works* until the last of June or first of July, 1895. The books of Mr. Winder

were produced and show an order entered on June 17th, 1895, to alter all names to "Hall's Safe & Lock Works" and an entry in the cash book showing payment of the bill, July 8th, 1895 (Winder, pp. 107 to 109; Ebel pp. 111, 114, 120; W. H. Hall, pp. 145, 151, 200 to 202; E. C. Hall. pp. 228, 229).

Plaintiff's exhibits showing change of letter head to "Hall's Safe & Lock *Works*" shows in a scroll at the left the names of "E. C. Hall, R. T. Pullen, Managers." They were not constituted *managers* until the meeting of June 6th, 1895, and it was at that meeting, that Mr. Marvin proposed that they should run "the different factories *under their old names as near as they could within the law*" (W. H. Hall, pp. 144, 145).

The wording of the resolution and the form of name adopted "Hall's Safe & Lock *Works*" shows that the *directors knew they had no right to use the corporate name of Hall's Safe & Lock Co.*

The name "Hall's Safe and Lock *Works*" was a mere fiction. It stood for nothing and the right to use it was not acquired from anybody in any lawful way or for any just compensation. Its use on order blanks and contracts was abandoned soon after, owing to practical difficulties of doing business in that name and during the year 1897, the *Works* themselves were abandoned and Herring-Hall-Marvin Co. moved to a new factory in Hamilton, Ohio. (Ebel, pp. 118, 120; W. H. Hall, pp. 152, 204; E. C. Hall, p. 234).

This practical interpretation of the contract by the parties by their conduct, before any controversy arose,

should be decisive of the question, even if the language of the option of purchase and the various bills of sale left any doubt as to the intention of Hall's Safe & Lock Co. not to convey its name.

> "It is a fundamental rule that in the construction of contracts the courts may look not only to the language employed, but to the subject matter and the surrounding circumstances, and may avail themselves of the same light which the parties possessed when the contract was made."
>
> *Merriam* v. *United States*, 107 U. S., 441.
>
> "The Court may put itself in the place of contracting parties and then, in view of all the facts and circumstances surrounding them at the time of the execution of the instrument, consider what they intended by the terms of the agreement."
>
> *Tillitt* v. *Mann*, 43 C. C. A., 617.
>
> "If there was any doubt or ambiguity arising upon the words employed in the clause of the contract under consideration, they would be effectually removed by this practical construction continuously put upon them by the conduct of the parties far so long a period." "In cases where the language used by the parties to the contract is indefinite or ambiguous, and hence of doubtful construction, the practical interpretation of the parties themselves is entitled to great, if not controlling, influence."
>
> *Topliff* v. *Topliff*, 122 U. S., 131.
>
> *Chicago* v. *Sheldon*, 9 Wall, 50, 54.

The attempt of a Company organized in 1900 to assert claims and rights which were never asserted by

the original purchaser cannot affect the rights of the parties as fixed by the contract and the conduct of the parties under it, until the original purchaser was wound up by judicial sale.

While some cases may be found in which it was held that the sale of a firm's or company's "business, property and good will" carried with it the right to use the name of such firm or corporation, it will be found that the circumstances of such sales were peculiar and that they are, by no means, authority for such general proposition. The great weight of authority is against this proposition and establishes, instead, the doctrine that when a purchaser wishes to use the name of the vendor he must secure that right by *express contract*, otherwise he will be assumed to have purchased only the assets and such advantages as may accrue from succeeding to an established business and carrying it on at the old stand. (See cases discussed Supra. pp. 34 to 47).

An appeal has been made to the sympathies of the Court on the ground that the purchaser paid an enormous price for the business, property and good will of Hall's Safe & Lock Co., and to allow the Halls to enter into a competing business and to use their name in such business "derogates from the grant" and greatly diminishes its value.

Plaintiff's exhibit No. 1. Schedule "A" (p. 95) shows that the tangible assets, leaseholds, buildings and accounts receivable, alone, were appraised by the purchasers' experts at $1,015,161.73. Besides these, Hall's Safe & Lock Co., turned over 32 patents which were not appraised (p. 351) and surrendered a growing and

profitable business, with all the forces for carrying it on, amounting to over a million dollars a year. It was said to be and probably was the largest safe business in the world at that time. (Pullen, pp. 41, 42; Prospectus, p. 358; W. H. Hall, pp. 144, 180, 181; E. C. Hall, pp. 230, 265, 266).

For this valuable property and business Hall's Safe & Lock Co. received only $700,000 in cash. The $650,000 in Common Stock of the Herring-Hall-Marvin Co. cost that company nothing, but the expense of paper and printing. No one ever paid a dollar for it and it proved to be absolutely worthless. (W. H. Hall, pp. 144, 170, 171; E. C. Hall, pp. 230, 233, 234; Defts' Ex. No. 270, p. 349).

So far from paying an enormous sum for the use of the *name*, the purchasers did not even pay for the physical assets. The Complainant paid only $100,000 and assumed liabilities of the Receivers amounting to $100,000 more for all the combined assets of the three great companies—or what was left of them in 1900.

The Herring-Hall-Marvin Co., made contracts with Edward C. Hall and William H. Hall, one of the expressed objects of which was to keep them from engaging in any competing business, and all the company had to do to secure immunity from the competition of the Hall's was to comply with the terms of its own agreements. This it failed to do and it preferred to give them a full release from all obligations under these contracts to paying them the moderate salaries stipulated for as a consideration for surrendering their independence. (Defts' Ex's Nos. 272, 274 to 276, pp. 352 to

354; Nos. 394 to 398, pp. 403 to 406; Pullen, p. 89; W. H. Hall, pp. 140, 142, 143; E. C. Hall, pp. 221, 223, 224).

The appeal to the *sympathies* of the Court, in view of these facts, sounds rather hollow.

Defendant not guilty of Fraud or Unfair Competition.

The Hall's Safe Company was incorporated under the laws of Ohio, September 10, 1896. The incorporators were Edward C. Hall, William H. Hall, Charles O. Hall, A. Acton Hall and Walker P. Hall. (Defts.' Ex. No. 264, p. 331). All of the incorporators were sons of Joseph L. Hall and had been engaged in the safe business from the time they were boys. Edward C. Hall went to work for Hall's Safe & Lock Co. in 1868 and worked at every branch of the business in the shops and in the office, and acquired a practical knowledge of the business in all its details. He became a director and Vice-President of the Company in 1875 and succeeded to the presidency on the death of his father, in March, 1889. He had never been engaged in any other business and did not know much of any other business.

William H. Hall went to work for Hall's Safe & Lock Co. in 1874. He, too, worked at every branch of the manufacturing, and acquired a practical knowledge of the business. He became a director of the Company in 1884, and Vice-President and purchasing agent of the Company in March 1889, and succeeded his brother, Edward, as President, May 7th, 1892. They had an extensive acquaintance among dealers, material men,

agents, bankers, and their relations with such people had always been pleasant. They obtained and always enjoyed a high reputation as safe makers and honorable business men. Charles O. Hall began work for Hall's Safe & Lock Co. in 1876. He, too, worked in the shops and acquired such a practical knowledge of the business that he was made assistant superintendent. He left the safe business in 1895 and engaged in a bicycle sprocket business and lost all he had and became heavily involved. He is now dependent on his knowledge of the safe trade for a living. The other brothers had also been engaged in the safe business from the time they were old enough to work. (Pullen, pp. 64, 65; W. H. Hall, pp. 138, 140, 141, 217, 218; E. C. Hall, pp. 221, 222, 232, 264, 265.)

Besides the boys above named, two sisters subscribed for stock and have a substantial interest in the business. Their husbands are directors and one, S. F. Kemper, is Secretary. (W. H. Hall, p. 218; E. C. Hall, p. 231; Plff.'s Ex. No. 46, pp. 456 to 458 and 48, p. 297).

The name "Hall" was the family name and the *only name common to all the incorporators and stockholders.* The word "Safes" expresses, in the briefest possible form, the nature of the business in which they were about to engage. It was the most natural name for them to adopt and the only one likely to give permanent satisfaction. Manifestly the individual names of all of them could not have been used. Jealousy and a refusal to subscribe for stock might have resulted from an attempt to name the company after any *one* of them. There were none connected with the Company except members of the Hall family and it would have been manifestly

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improper to have given it the name of any other person, or family. To have adopted a fictitious name, such as "The Continental Safe Co.," suggested by Mr. Maxwell (pp. 182, 183, 264), would have stripped them of their identity and thrown away all the advantages inherent in their long experience, honorable reputation and extensive acquaintance in the safe business. (W. H. Hall, pp. 182, 183, 217, 218; E. C. Hall, pp. 221, 222, 256 264). It must not be forgotten that this experience, reputation and favorable acquaintance was strictly *personal*, and had been acquired by them as individuals. These important facts differentiate the case from all such cases as

Garrett v. *Garrett*, 24 C. C. A. 173

where a mere employee who had no substantial interest in the business lent his name to a company whose stock was chiefly held by others, and

Royal Baking Powder Co. v. *Royal*, 58 C. C. A. 499

Robinson v. *Storm*, 103 Tenn. 40, 43.

De Long v. *De Long Hook & Eye Co.*, 89 Hun. 399, 401, 402.

J. & P. Coates v. *John Coats Thread Co.*, 135 Fed. 178, 180.

International Silver Co. v. *Rodgers Bros. Cutlery Co.*, 136 Fed. 1019.

Same v. *Wm. H. Rogers Corporation*, 67 N. J. Eq. 646, 647, 648.

where a person who had never had any experience in that particular business turned aside from his regular occupation and embarked in a new business with the fraudulent intent to reap the benefit of the older company's extensive advertising; and

Peck Bros. & Co. v. *Peck Bros Co.*, 51 C. C. A. 251, 258, where defendants "assumed falsely the name 'Peck Bros.' there being no brothers of that name in the incorporation"; and

Pillsbury v. *Eagle*, 30 C. C. A. 386, 395, 396

where defendants sold flour made in Milwaukee, falsely branding it "Minneapolis, Minn." and

Singer Mfg. Co. v. *Bent*, 163 U. S. 205, 206

where defendant, doing busines in Chicago and having no office or factory in New York, falsely marked its machines, "*NEW YORK S. M. MFG. CO. WARRANTED.*"

The statutes of Ohio provide, as do those of many other states, that no company shall be permitted to adopt the name of any other company doing business in the state of Ohio, or of any name so similar as to mislead. The granting of a charter is prima facie evidence that this condition was complied with. The only Company engaged in the safe business in the state of Ohio at that time, having the name, "Hall," in its title, was the Herring-Hall-Marvin Company, and there was no similarity in the names that could mislead anybody. Hall's Safe & Lock Co. had retired from business in May, 1892, gone into liquidation and been dissolved by order of court, by express agreement with Herring-Hall-Marvin Co., so that it was no longer in the field. Defendants did not adopt or imitate the name of *this* Company. If such had been their intention they would have added the important words "*and Lock*" to the combination. Granted the right to engage in the safe business at all,

and to make use of their personal experience, reputation and acquaintance, it is difficult to see how the adoption of their name can be criticised or what better one could be suggested. When questioned in the Circuit Court of Appeals, Counsel for applicant denied their right to use the name "Jos. L. Hall's Sons", as that would suggest succession to Joseph L. Hall. For the same reason he might object to the "Edward C. Hall Safe Co.", for that would suggest succession to E. Hall & Co., the grandfather's firm. The fact that such firms have been out of existence for forty or fifty years makes no difference from his standpoint. If a similar name has *ever* been used, respondents are barred. It should also be remembered that they were advised by counsel that they had the right to use the name adopted by the Company. (W. H. Hall, pp. 181, 182; E. C. Hall, pp. 251, 254).

The facts proved with regard to the marking of their goods so as to show their origin, and the absence of proof of any attempt to sell a safe or vault as the product of complainant, or that anyone ever bought from them a safe or vault supposing that he was buying from complainant or the old Hall's Safe & Lock Co. (supra. pp. 8, 9). dispose of the general charge of fraud and unfair competition.

It is not enough to say that defendants have been guilty of misrepresentation or false advertising—which we deny—or that people have purchased safes from them, believing they were dealing with the old Hall's Safe & Lock Co.—which we also deny. It must appear that they have succeeded in palming off goods

of *their* manufacture as the goods of the *complainant*, or the action for unfair competition fails.

> "Relief in equity to restrain unfair trade is granted only where the defendant by his marks, signs, labels, or in other ways represents to the public that the goods sold by *him* are those manufactured or produced by the *plaintiff*."

Goodyear Co. v. *Goodyear Rubber Co.* 128 U. S. 598, 604.

Commenting on the cases of *Croft* v. *Day*, *Holloway* v. *Holloway* and *McLean* v. *Fleming*, Mr. Justice Brown says:

> "These cases obviously apply only where the defendant adds to his own name imitations of the plaintiff's labels, boxes, or packages and thereby induces the public to believe that *his* goods are those of the *plaintiff*. . . . . .
>
> "The theory of a trade mark proper then being untenable, this case resolves itself into the question whether the defendants have by means of simulating the name of plaintiff's preparation, putting up their own medicine in bottles or packages bearing a close resemblance to those of plaintiff or by the use of misleading labels or colors, endeavored to palm off *their* goods as those of the *plaintiff*." . . . .
>
> "The law does not visit with its reprobation, a fair competition in trade; its tendency is rather to *discourage monopolies*, except where protected by statute and to *build up new enterprises* from which the public is likely to derive a benefit."

Brown Chemical Co. v. *Meyer*, 139 U. S. 544.

He continues:

> "The right of the plaintiff to maintain this bill then

must rest upon the assumption that the words 'Brown's Iron Tonic,' bear such a resemblance in sound and appearance to the words 'Brown's Iron Bitters' that the public are liable to be misled. But if the words 'Iron Bitters', cannot be lawfully appropriated as a trade mark, it is difficult to see upon what theory a person making use of these or similar words can be enjoined. . . . . If the defendant be liable at all then it must be by addition of the patronymic 'Brown' to the words 'Iron Tonic'. But the evidence shows that the preparation was originally compounded by a person of that name of whom the present manufacturers are the successors in business, and in the absence of testimony tending to show an intention to palm off *their* preparation as that of the *plaintiff*, they have a right to such use." (ib. p. 547).

In *Howe Scale Co.* v. *Wyckoff*, 190 U. S. 118, 140, Fuller C. J. says:

"The essence of the wrong in unfair competition consists in the sale of the goods of one manufacturer or vendor for those of another, and if defendant so conducts his business as not to palm off *its* goods as those of *complainant*, the action fails."

In *American Washboard Co.* v. *Saginaw Mfg. Co.* 43 C. C. A. 233, 236, 237, Mr. Justice Day said:

The only basis for a private suit for an injunction against unfair competition is the injury to the property rights of the *complainant*. The fact that the defendant deceives the public as to his goods by fraudulent means, while an important factor in such a suit, does not give a right of action, unless it results in the sale of such goods as those of the *complainant*." . . . . .

"Imposition on the *public*, occasioned by one man selling his goods as the goods of *another*, cannot be ground of private action or suit."

In *Computing Scale Co.* v. *Standard Computing Scale Co.*, 55 C. C. A. 459, 465, Judge Lurton said:

"The complainant's scales have in a conspicuous place on each scale the words "The Computing Scale Co., Dayton, Ohio, U. S. A." This is complainant's corporate name and no other name or descriptive words are placed on its scales. The defendants place on each of their scales their corporate name, 'The Standard Computing Scale Co., Limited, Detroit, Michigan.' On the beam used by complainant for their corporate name, the defendants have placed the words in conspicuous letters 'Standard Computing Scale.' These two name plates plainly distinguish the scale made by the defendant from the scale made by complainant."

See also:

Centaur Co. v. *Marshall.* 38 C. C. A. 416, 417.
Wrisley Co. v. *Iowa Soap Co.*, 59 C. C. A. 54, 56.
Baker v. *Baker*, 53 C. C. A. 157, 159.

Defendants have the right to manufacture, advertise and sell "Hall's Safes".

The right to advertise and sell their safes as "Hall's Safes," is based by defendants on two grounds: (1) the fact that they *are* Hall's Safes, i. e. made by and under the supervision of the Halls; and (2) that the name designates an article which became well known as "Hall's Safes" while protected by Letters Patent and is a descriptive term which may be used to designate safes

made by any one in accordance with such patents, now that the patents have expired.

(1) The safes manufactured and sold by the defendants are made under the supervision of the Halls and are undeniably Hall's Safes. They would be popularly known and designated as such irrespective of the name which the Hall boys might adopt for carrying on their business, unless the fact that they were in the business was absolutely suppressed. It is because they are made by the Halls, who are well known to the trade, that they sell. If the Halls have the right to make and sell the safes they have the right to be known as engaged in the business, and their advertising is not untruthful or misleading.

(2) Joseph L. Hall was an inventor and took out a great many patents which he either assigned to or held for the benefit of Hall's Safe & Lock Co. as long as he lived. Most of the safes manufactured and sold by "Hall's Safe & Lock Co." were marked "Hall's Patent." The illustrated catalogues and circulars on every page had pictures of various styles of safes and the words, "Hall's Patent," appeared on each of these pictures of safes. (Stipulation, p. 2; Plff's Ex. No. 56, p. 471). In May, 1892, Hall's Safe & Lock Co. and the Trustees of Joseph L. Hall assigned to Herring-Hall-Marvin Co. thirty-two patents (Deft's. Ex. 271, p. 351).

Most of these had but a short time to run and all expired by 1897, three years before complainant came into existence (Pullen, pp. 70, 77; W. H. Hall, pp. 219, 220; E. C. Hall, pp. 241, 266).

The inventions patented by Mr. Hall had become common property and any one could make the safes formerly protected by said patents. During the life of the patents they had become popularly known and designated as "Hall's Patent," "Hall's Safes" &c., just as rubber prepared by Goodyear's patented process became known as "Goodyear's Rubber" and sewing machines made under Singer's patents, or Wheeler & Wilson's, had become known as "Singer Sewing Machines," and "Wheeler & Wilson Sewing Machines."

The fire-proof safes with a concrete filling made in accordance with Mr. Hall's patent of 1849 had stood the tests of several large fires, Chicago, Boston, Portland, Lynn, &c. and acquired a specially good reputation for their fire-resisting qualities. Defendants make their safes to-day, exactly as they were made in Mr. Hall's days, so far as fire-proof qualities are concerned, and their fire-proof safes are therefore the well known, fire-tested "Hall's Safes" (W. H. Hall, p. 219; E. C. Hall, pp. 240, 264, 265).

Safes formerly made by the Herrings and Marvins and others could not properly be so designated because they use a different kind of filling (W. H. Hall, p. 220).

The law is well established that after the expiration of patents protecting articles of manufacture which have become popularly known by the name of the inventor any one may make them and sell them by that name, the only restriction being that he must not use false or misleading labels, marks, or advertisements to induce purchasers to believe that the goods *he* manufactures are the product of another manufacturer.

Holzapfel's Co. v. *Rahtjens Co.* 183 U. S. 1, 13.
Singer Mfg. Co. v. *June Mfg. Co.* 163 U. S. 169, 185.
Goodyear Co. v. *Goodyear Rubber Co.* 128 U. S. 598.
Dover Stamping Co. v. *Fellows*, 163, Mass. 191, 194, 195.
Warren Featherbone Co. v. *American Featherbone Co.* 56 C. C. A. 544, 5[illegible]4.
Brill v. *Singer Mfg Co.* 41 O. S 127.
Centaur Co. v. *Heinsfurter*, 56 U. S. App. 7, 10, 13 to 16.
Same v. *Marshall*, 38 C. C. A. 413, 416, 417.
Wheeler & Wilson Mfg. Co. v. *Shakspear*, 39 L. J. Ch. 36.
Linoleum Mfg. Co. v *Nairn*, 7 Ch. Div. 834.

We therefore think the 5th exception to the opinion of the Circuit Court of Appeals for the Sixth Circuit (supra, p. 15) is well taken.

Defendants' alleged false advertising.

Plaintiff alleges that defendants advertise their product as "Hall's Safes," and "in every possible way deceive the public into the belief that . . . they are carrying on the business established by said Joseph L. Hall and afterwards carried on by said Hall's Safe & Lock Co. and Herring-Hall-Marvin Company and now carried on by your orator as successors of said concerns" (p. 8).

For specifications under this general charge, counsel for plaintiff introduces, among others, a number of advertisements cut from Munsey's Magazine, December, 1901, from the New York Sun of April 15, 1901; April

18, 1901; April 26, 1901; November 27, 1901; January 20, 1902; January 28, 1902, and February 13, 1902 (Plff's. Exhibits 4, 5, 6, 7, 24, 25, 26 and 27 pp, 413, 279, 280, 291, 292, 293), styling them "*Defendants' Advertisements.*" (Pullen, pp. 51, 62). There is no proof that defendants inserted them, or authorized them to be inserted, or that they are in any way responsible for them. They expressly deny all knowledge of, or responsibility for them. They did not insert them, or cause them to be inserted, or pay for them. In short, they did not know anything about them until February, 1902, and never *saw* them until they were produced as exhibits in this case. They appear to have been inserted and used by Kinsey, Rainier & Thompson, a firm in New York City dealing in safes and vaults of defendants' manufacture, who simply had a contract with The Hall's Safe Co. to furnish them with safes, as called for, at specified prices. They afterwards incorporated under the name of "Kinsey, Rainier & Thompson, Incorporated." Defendants had no interest in, or control over the business of either the firm, or this first corporation, and are in no way responsible for what they did or left undone, or for representations made by them. E. C. Hall afterwards, *in February, 1903*, incorporated another company under the laws of New York, known as "The Kinsey, Rainier & Thompson Company," which bought out "Kinsey, Rainier & Thompson, Incorporated," and himself took the bulk of the stock, but that is the first time any of the defendants had anything to do with Kinsey, Rainier & Thompsons. E. C. Hall, individually, is the only one of the respondents that has

any interest in the new company. When informed, in February, 1902, that such advertisements were being inserted in the Eastern papers, the defendant Company immediately got out a circular and mailed it to all dealers and agents, telling them they must stop advertising in that form (W. H. Hall, pp. 154, 155, 157; E. C. Hall, pp. 232, 233, 264; Defts. Ex. No. 339, p. 378). This appears to have been effectual, for plaintiffs have produced nothing after that date of a similar nature, except Ex. No. 13, 14, 15, (pp. 281. 282,). No. 23, (p. 439), No. 42, (p. 293), No. 49, (p. 466) and No. 50 (p. 299) which will now be considered.

Hagstette was an independent dealer in safes in New Orleans, who bought from the plaintiff up to January 1st, 1904. (Pullen, pp. 58, 76), when he ceased to buy from them and began buying from The Hall's Safe Co. The letterhead, return envelope and business card marked Exhibits 13, 14 and 15 (pp. 281, 282), are evidently a part of his old stock in trade, for it was about this time that Hagstette changed from one to the other, and defendants have never at any time used the expression, "Hall's Standard Safes," nor has any other dealer, buying their goods. They did not authorize any such statements, did not order the stationery or pay for it, and are not responsible in any way (W. H. Hall, p. 155).

Plff.'s Exhibit No. 23 (p. 439) appears to be an advertisement inserted in the "Manufacturer and Exporter," of May, 1904, by The Kinsey, Rainier & Thompson Co. *after* E. C. Hall became connected with it. None of the defendants knew anything about it until it was

produced in evidence; none of them authorized it or paid for it, or was responsible for it (W. H. Hall, p. 155; E. C. Hall, (p. 233). If there is anything wrong about it, the Kinsey, Rainier & Thompson Co. is responsible.

Plff.'s Exhibit No. 49 (p. 466) is an advertising card of the Howe Scale Co., of San Francisco, Cal.

They were simply dealers and bought safes from The Hall's Safe Co. and sold them again. (E. C. Hall, pp. 257, 266).

Plff.'s Exhibit No. 50 (p. 299) is the card of a salesman, who is not known to defendants, was not employed by them, and whose card was wholly unauthorized by them. (E. C. Hall, p. 258).

As to all those counts, defendants plead not guilty. There is no evidence to show that they are. Whether false or true, misleading or otherwise, defendants cannot be held responsible for them.

As the Court said in *Wyckoff* v. *Howe Scale Co.* 57, C. C. A., 510:

> "It may very well be said that it understood quite clearly that by thus using the name, defendant gave to all middle men and dealers, outside of its own agents opportunity and perhaps suggestion to misrepresent the parentage of the machines; but, if it had the right to use the same, *it cannot be held responsible for the consequences of such use*" (pp. 511, 512).

In *Brown Chemical Co.* v. *Meyer*, 139 U. S. 545, the Court says:

> "The similarities in the advertising cards or postals are undoubtedly much greater . . .

but as it appears from the testimony that the use of the posters has been discontinued and further that the defendants in this case never employed them or put them up, or authorized others to do so, it is clear that as against these defendants the court cannot now be properly called upon to enjoin them. If the bare act of posting these advertising cards were fraudulent the remedy is against the party who committed the wrong."

This case was followed in *Procter & Gamble Co.* v. *Globe Ref. Co.*, 92 Fed. 357.

In *Coats & Merrick Thread Co.*, 149 U. S. 573, after pointing out the distinguishing features of defendants' labels, the court said:

> "If the purchaser of such thread desires a particular make he should either call for such, in which case *the dealer if he put off on him a different make, would be guilty of fraud for which the defendants would not be responsible*, or should examine, himself, the lettering upon the spools."

Advertising Pages in Defendant's Catalogues.

We now come to certain advertising pages inserted in their illustrated catalogues for 1900 (gotten out in the fall of that year) and 1902 (gotten out in January) for which the defendant company is undoubtedly responsible. We refer to the cover and pages 21, 47 and 51 of Plff's. Ex. No. 18 (pp. 283 to 285) and the cover and pages 22, 48, 52, of Plff's. Ex. No. 19 (pp. 287 to 290). Except for the change in date from 1900 to 1902 and from "Sixty" to "Sixty two" years on the cover the exhibits are alike. The court should consider;

(a) Whether there are any misrepresentations contained in them.

(b) Whether such representations would lead the public to suppose defendants were selling plaintiff's goods.

(c) Whether such representations would lead the public to suppose defendants were carrying on the business of Hall's Safe & Lock Co.

(a) On the covers of these exhibits there appears a wreath with the words "SIXTY YEARS" and "SIXTY TWO YEARS" inscribed within, the date "1840" on the left, and the dates "1900" and "1902" on the right of the wreath. There are no statements or explanations with regard to this, and a person who did not know the facts might draw the false inference that The Hall's Safe Co. had been in existence for sixty years. This impression would be corrected by a reference to page 21 of Ex. No. 18 (p. 284), and p. 22, of Ex. No. 19 (p. 288), where the date of incorporation is correctly given as 1896.

These pages read as follows:

"1840 1900 (or 1902)

HISTORY OF HALL'S SAFES.

E. Hall & Co. established 1840
Joseph L. Hall & Co. established 1860
The Hall's Safe Co. established 1896

(Incorporated)

Three Generations of High-Grade Safe Making
Prove That Quality Tells."

Every statement made on these pages is substantially true, though there is some doubt as to when

E. Hall & Co. actually began business. (E. C. Hall, pp. 222, 235, 236, 240, 264; W. H. Hall, pp. 162, 163, 183, 184, 196, 197). There *were* three generations of high-grade safe makers making Hall's Safes. There is nothing to mislead the public and it does not hurt the plaintiff.

Pages 47, of Ex. No. 18 (p. 285), reads as follows:

"THE UNRIVALLED RECORD
of the
HALL'S SAFE
in the great fires of

Chicago,	Ill.
Boston,	Mass.
Lynn,	Mass.
Seattle,	Wash.

and the lesser fires all over the United States and in other countries, prove conclusively that

THE HALL'S SAFES ARE THE BEST!"

This is just as true as any puffing advertisement can be. The Hall's Safes did make a good record in the fires named, and probably that record is "unrivaled." The statement on p. 21 corrects the impression that might otherwise be produced that safes of The Hall's Safe Company's manufacture were in the great fires name. The Hall's Safes referred to were fire-proof safes, made with a concrete or cement filling in a manner originally patented by Joseph L. Hall about 1849. The Hall's Safe Company now makes safes in the same way, so far as fire-proof protection is concerned (W. H. Hall, pp. 185, 186, 219; E. C. Hall, pp. 240, 264, 265).

There is nothing to deceive the public, and nothing to injure plaintiff in such statements. Plaintiff ought rather to rejoice that defendants are advertising a safe which they, too, have the right to make and sell.

Page 51, of Ex. No. 18 (p. 286) begins with the statement:

"THE CHEAPEST INSURANCE IN THE WORLD

Did it ever occur to you that a

HALL'S SAFE

was the cheapest form of insurance?"

and ends with the statement:

"ALWAYS USE A HALL'S SAFE.

Our record of sixty years (1840 to 1900)

prove our position."

So far as puffing is concerned the remarks about p. 47 apply equally to this. The "Record of Sixty Years" is explained by reference to p. 21, as the *family* record, and not the record of The Hall's Safe Co. So understood, there is no statement that would not fall under the head of excusable puffing.

(b) There is nothing whatever about the covers, or these advertising pages, to suggest that The Hall's Safe Co. is selling The Herring-Hall-Marvin Safe Co's product. They are not mentioned, nor is there anything from which the existence of such a company could be inferred.

(c) The same is true of Hall's Safe & Lock Co. That Company was not an ancestor of defendants, and was not needed to illustrate the "three generations" theory. There is absolutely nothing to make the public

suppose the defendant Company was Hall's Safe & Lock Co., or was the successor of that Company, or was selling safes manufactured by that Company (W. H. Hall, pp. 183, 184, 197; E. C. Hall, p. 240).

Plaintiff can not claim to be injured by the puffing of Hall's Safes, as it makes and sells Hall's Safes. The more advertising, the better, so long as defendants do not claim that their safes are the product of the Herring-Hall-Marvin Safe Company. This they have never done, and have no thought of doing, as they believe a Hall's Safe made by themselves to be a better article than the Herring-Hall-Marvin Safe Co. can produce, and that they have a better reputation than the Herring-Hall-Marvin Co. (W. H. Hall, pp. 163, 164, 171, 172, 217, 218; E. C. Hall, pp. 230, 231, 232, 264).

The covers and advertising pages were objectionable just to the extent that they tended to create the false impression that The Hall's Safe Company had been in business sixty years or more. For this reason, at the suggestion of counsel, they recalled all their catalogues, as far as possible, in February, 1902, tore off the covers, cut out the advertising pages and put on new covers, stating the date of issue only, and re-issued them in the form shown in Defts. Ex. No. 340 (p. 488). These illustrated catalogues were not published for general circulation, but were put into the hands of dealers and agents and most of them were gotten in. They also printed a circular (Defts. Ex. No. 339, p. 378) and sent it to all their dealers, agents and salesmen, telling them to stop all advertising of the past history of the Hall's

Safes. (W. H. Hall, pp. 157, 188, 189; E. C. Hall, pp. 257, 264).

They also devised and registered a trade-mark, consisting of an eagle with outstretched wings, bearing a safe on its breast and a scroll in its talons, which they have applied to all their safes since August, 1902, and which is displayed on their letter heads and circulars and all stationery as rapidly as new stationery is called for. (Plff's. Ex. No. 48 p. 207; W. H. Hall, pp. 171, 172, 214, 215, 217). The individual names of E. C. Hall and Wm. H. Hall, as officers of the company, street address and number of P. O. Box appear on most of the stationery, illustrated circulars, etc., sent out by the company. (Plff's. Ex's No. 48, p. 297, and No. 46, pp. 456 to 464; W. H. Hall, pp. 217). In short, the company has taken all steps that can reasonably be required to differentiate their goods from plaintiff's, and from all preceding companies' output.

We think that neither the advertisements inserted by dealers nor the advertising pages in defendants' illustrated catalogue contained any representations that defendant Company was the old Hall's Safe & Lock Co., or its successor in business and that there was absolutely no ground for an injunction on this score.

This Court thought advertisements of exactly the same nature made by the Remington-Sholes Co. and dealers in its machines no ground for an injunction

Howe Scale Co. v. *Wyckoff*, 198 U. S. 118,

and that if advertisements made without authority by dealers were fraudulent, the remedy is against the party who committed the wrong.

Brown Chemical Co. v. *Meyer*, 139 U. S. 545.

Even if it should be thought proper to enjoin such advertising, the decree ought not to go further and enjoin the company from doing business in its corporate name, or from advertising and selling "Hall's Safes" marked with its corporate name and address. It is the office of an injunction to prevent the continuance of misconduct and not to *punish* defendants by depriving them of, or curtailing their natural rights.

In *Genesee Salt Co.* v. *Burnap*, 43 U. S. App. 243, 251, Judge Taft, after finding that plaintiff had the right to complain of defendant's marking his salt "Genesee Salt *Co.'s* Salt", added—

> "but the court was of opinion that it ought not enjoin the defendant from the use of the words 'Genesee County Salt' and 'Genesee Salt' in the sale of salt actually manufactured in Genesee County."

In *Singer M'f'g Co.* v. *June M'f'g Co.* 163 U. S. 169, 185, 199, 200, and *Singer M'fg Co.* v. *Bent*, 163 U. S. 205, the injunction was limited to the false and deceitful practices of marking the machines in a way to indicate that they were made in New York by the Singer Manufacturing Co., instead of being made in Chicago by the June M'f'g Co. In the latter case the court said—

> "The principal business office of the Singer M'f'g Co. is in the City of New York. In the so called trade mark of the defendant the letters 'S. M. Mfg. Co.' are preceded by the word 'New York' although there was no such company and the defendant had no factory or office there, but did business in Chicago

and bought in that city from the June M'f'g Co. the machines upon which it put the marks in question. There is no doubt that the marks were imitations of those used by the Singer Co. and were intended to deceive. . . . . .

"We should be obliged to allow the use of the name 'Singer' since that name, as we have already held in the case just described, fell into the domain of things public subject to the condition on the one who used it to make an honest disclosure of the source of manufacture."

In *Hoxie* v. *Chaney*, 143 Mass. 592, 597, the decree of the court below was modified so as to permit of defendant's continuing in the soap business and using his own name, but the court enjoined him from interfering with plaintiff's rights

"by representing himself, either directly or indirectly, as the successor of the late firm, or as doing the same business as was done by them."

In *Dodge Stationery Co.* v. *Dodge*, 145 Cal. 380, 392, 393, the Court sustained an injunction against the "J. S. Dodge Co." on the ground that defendant Dodge could not give his name to a second corporation after having given it to the complainant, but would not allow it as against Dodge individually, saying:

"The only object of a court of equity in such cases being, to protect against the *fraudulent representations it will go no further than is necessary to accomplish that result*. Any further step is an encroachment upon the legal rights of the defendant."

In *Centaur Co.* v. *Marshall*, 38 C. C. A. 413, 417, 419, Judge Sanborn said:

> "In cases to restrain unfair competition by the simulation of trade dresses it is only when the likeness deceives or will probably deceive the buyers into the purchase of the goods of one manufacturer or vendor as those of another and *only to that extent that it thus deceives that any legal injury results, or that a court of equity may grant relief.*"

> "If the use of these means of advertising was proof of an intent to deceive the public and to pirate the business of the appellent, *the discontinuance of their use is evidence of the abandonment of that intent.*"

The foregoing discussion of the facts and the authorities leads us to the conclusion that the 1st, 4th and 5th exceptions to the opinion and decree of the Circuit Court of Appeals for the Sixth Circuit (supra, pp. 14 and 15) are well taken; that no wrongdoing has been proven that would justify an accounting; and that the injunction, if any at all is granted, should be limited to restraining defendants from advertising or holding themselves out as the old Hall's Safe & Lock Co., or their successors in business. This is quite different from a mandatory injunction requiring, as a condition of their doing business in their own name that they shall accompany all use of that name with

> "explanatory matter showing that the product was their own and not that of the old company or its successor in business"

and that their business;

> "is not the business formerly carried on by Hall's Safe & Lock Company."

We submit that these requirements are as unnecessary as they are humiliating to selfrespecting business men.

Complainant's Deceptive Practices and Advertising.

We have seen that Complainant did not acquire from Hall's Safe & Lock Co., directly or indirectly, the right to use its name (supra, pp. 2, 4, 58, 59); that that company was not to continue in business, but was to go into liquidation and be dissolved (supra, p. 4). that it did in fact go into liquidation and was dissolved by decree of Court in July, 1895 (supra, p. 7); that dealers, agents and customers were duly notified by officers of the Herring-Hall-Marvin Company that Hall's Safe & Lock Co. was no longer in existence, that all signs on its factory and stores in Cincinnati, New York and Philadelphia were changed from Hall's Safe & Lock Co. to Herring-Hall-Marvin Co.; that all new stationery, envelopes, labels, &c , were ordered with the name of Herring-Hall-Marvin Co.; that the new illustrated catalogue gotten out as late as 1897 had the name Herring-Hall-Marvin Co. at the head of every page and that the names "Hall's Safe & Lock Co.", "Hall's Safes" and "Hall's Standard Safes" did not appear anywhere in it; that the product of the new Company was all marked with the name of the Company and the place of manufacture or sale; that Herring-Hall-Marvin Co. spent no money in advertising "Hall's Safes", "Hall's Standard Safes", or "Hall's Safe & Lock Co."; that the name, Hall's Safe & Lock Co., was taken out of all City and Business Directories in

1892 and did not appear again until 1904; that Herring-Hall-Marvin Co. abandoned the old Hall's Safe & Lock Works and moved to a new factory at Hamilton, O. and did not thereafter have any office, or place of business in Cincinnati (supra, pp. 59 to 62). There was no attempt on the part of anybody to pretend that Hall's Safe & Lock Co., was still in existence, until after the sale by the Receivers of Herring-Hall-Marvin Co. to Complainant, consummated December 28th, 1900. This was more than four years after The Hall's Safe Co. had been incorporated and had engaged in business in Cincinnati. Then the new Company took a series of steps, all calculated to deceive the public and to induce it to believe that Hall's Safe & Lock Co. was still in existence and doing business in Cincinnati. In the winter of 1901 it began to use, in its business, envelopes with the return address "HALL'S SAFE & LOCK CO., CINCINNATI." on them, although that Company had been out of business for nearly nine years, and neither it, nor complainant, then had any place of business in Cincinnati. The effect of this would be, of course, to swell the volume of mail addressed to Hall's Safe & Lock Co. at Cincinnati, all of which was regularly forwarded to Hamilton, to give a fictitious aspect of "good will" to the old Company, and to enable complainant to pick up all carelessly addressed letters intended for The Hall's Safe Co., who *were* doing business in Cincinnati. (Defts.' Ex. No. 347, pp. 490 to 493; Pullen, pp. 71, 72, 84).

Another step was to prepare an advertisement in the Herring-Hall-Marvin Safe Co.'s office, at Hamilton, and cause it to be inserted in the classified business directory

of Cincinnati, 1904, under the head "Safe Manufs.," in large type—

"HALL'S SAFE & LOCK CO., THE,"

And underneath in very small type—

"(See Herring-Hall-Marvin Safe Co.)"

The Hall's Safe & Lock Co. was not in existence, and the Herring-Hall-Marvin Safe Co. had no place of business in Cincinnati at the time. No such name had appeared in Cincinnati Directories for twelve years (Defts. Ex. No. 203, p. 305; Pullen, pp. 81, 84).

The next step was to insert in Trow's Business Directory of Greater New York, 1904, at page 1246 the following advertisement:

"HALL'S
STANDARD
SAFES.

We give you the benefit of our *sixty years'* experience in the manufacture of Fire and Burglar-Proof Safes, Bank Vaults, Safe Deposit Vaults, Locks, etc.

HALL'S SAFE & LOCK CO.,
400 Broadway,
Telephone, 3093 Franklin."

The address and telephone number are those of complainant, the effect, of course, is to induce the belief that Hall's Safe & Lock Co. is still in existence and can be reached or addressed at 400 Broadway. No such

advertisements appeared while Herring-Hall-Marvin Co. or its receivers were in charge of the business (Defts. Ex. No. 204, p. 306; Pullen, pp. 82, 83).

The name "Hall's Safe & Lock Co., 400 Broadway," with telephone number, and without any explanation, was also inserted by plaintiff in the Telephone Directories of New York City. (Defts. Ex.'s 205, 206, p. 307; Pullen, p. 82). The address and telephone number were those of plaintiff (Pullen, p. 82).

Complainant also caused an advertisement to be inserted in the St. Louis Directory for 1904, under the head of SAFE MANUFACTURERS, as follows:

"Hall's Safes, Hall's Safe & Lock Company,

706, 708 Washington Ave., Largest Safe Store and most complete stock in the United States"

the address given being that of Complainant's Store.

Complainant also caused to be inserted in the General Directory for St. Louis, 1904, in its alphabetical order, the name, **"Hall's Safe & Lock Company,** 706 Washington Ave.", the address given being that of the Herring-Hall-Marvin Safe Co's Store. (Stipulation 7. p. 271).

In February and March, 1904, plaintiff caused advertisements, of which the following is a copy, to be inserted in all the Baltimore papers several times a week.

THE ONLY OFFICE OF

Hall's Safe and Lock Company,

Of Cincinnati, Ohio,

IS LOCATED AT

Hoen Building

Lexington and North Sts.

MAKE NO MISTAKE

Telephones { **Courtland 970** / **Mt. Vernon 2506**

This is absolutely false in letter and in spirit, and it bears evidence on its face that it was intended to injure defendants, whose sales in Baltimore had reached a fair amount and were rapidly increasing. Every intended customer of The Hall's Safe Company, of Cincinnati, a real company, with a real place of business, who read and believed those advertisements might be diverted from defendants' dealers to plaintiff's store. (Defts. Ex.'s No. 208, p. 308; No. 405, p. 506; Stipulation, pp. 270, 271; Pullen, pp. 83, 84).

In May or June, 1904, plaintiff opened a store for the sale of safes in Chicago. Over the windows it placed a sign, in large, raised, gilt letters:

"HALL'S SAFE & LOCK CO.
HERRING-HALL-MARVIN SAFE CO."

and underneath, in small yellow painted letters, the

word "successors" (Defts. Ex. No. 399, p. 501; Stipulation p. 270). The latter would hardly be noticed. The plain purpose of this sign was to mislead the public and to induce them to enter on the understanding that Hall's Safe and Lock Co. was still in existence and doing business at that place. The Hall's Safe & Lock Co. of Illinois, tried to enjoin complainant from maintaining this sign, but failed, because it, too, was usurping a name to which it had no just title.

Similar signs have been put up in St. Louis and the name "Hall's Safe & Lock Co." has been given greater prominence on the windows of plaintiff's New York store since this suit was commenced. The word "successor" is not used at all in connection with either the New York, or St. Louis Stores (Deft's Ex. 400, 403, pp. 502 to 505; Stipulation, p. 270).

After the commencement of this suit, complainant opened an office in the First National Bank Building at Cincinnati, never before having had a place of business in that city. On the windows, opposite the elevators, in large gilt letters, are the words

"HALL'S SAFE & LOCK CO.,
HERRING-HALL-MARVIN SAFE CO."

with no connecting link between them, (Pullen, p. 84; W. H. Hall, pp. 152, 153; E. C. Hall, p. 234).

The purpose in coming to Cincinnati and hoisting the sign "Hall's Safe & Lock Co.," more than twelve years after it had been wiped out, is plainly to give color to such deceptive advertisements as appeared in the Baltimore papers, and to divert trade from the defendant

company, which is the only company of a like name in existence and which had been in business in Cincinnati for eight years before.

We think that complainant does not come into Court with clean hands: that it has been guilty of the unfair competition and attempts to confuse the public, of which it complains; and that, by reason of these false and misleading advertisements it has forfeited any right it might have had to equitable relief.

As this Court says, in *Worden* v. *California Fig Syrup Co.*, 187 U. S., 516;

> "When the owner of a trade-mark applies for an injunction to restrain the defendant from injuring his property by making false representations to the public, *it is essential that the plaintiff should not in his trade-mark or in his advertisements and business be himself guilty of any false or misleading representation*, and if he makes any material false statement in connection with the property which he seeks to protect, he loses his right to claim the assistance of a court of equity; and where any symbol or label claimed as a trade-mark is so constructed, or worded as to make or contain a distinct material assertion which is false, no property can be claimed in it; or, in other words, the right to the exclusive use of it can not be maintained."

And again, in *Manhattan Medicine Co.* v. *Wood*, 108 U. S., 222, 223, 227:

> "These statements" (as to name of manufacture and place of manufacture) "were deemed important in promoting the use of the article and its sale, or they would not have been continued by the assig-

nees of the original inventors, and yet they could not be used with any honest purpose when both statements had ceased to be true. It is not honest to state that a medicine is manufactured by Moses Atwood, of Georgetown, Mass., when it is manufactured by the Manhattan Medicine Co., in the City of New York." (p. 222).

"The object of the trade-mark being to indicate by its meaning or association the origin or ownership of the article, it would seem that when a right to its use is transferred to others, either by the act of the original manufacturer or by operation of law, the fact of transfer should be stated in connection with its use; otherwise a deception would be practiced upon the public, and the very fraud accomplished to prevent which Courts of Equity interfere to protect the exclusive right of the original manufacturer. . . . . .

"To put forth a statement, therefore, in the form of a circular, or label attached to an article, that it is manufactured in a particular place, by a person whose manufacture there had acquired a great reputation, when in fact it is manufactured by a different person, is a fraud upon the public, which no court of equity will countenance" (p. 223). . . . .

"An exclusive privilege for deceiving the public is assuredly not one that a court of equity can be required to aid or sanction. To do so would be to forfeit its name and character" (p. 227).

In *Knoedler* v. *Glaenzer*, 55 Fed. 895, 900, the Court said:

"If Knoedler & Co. had confined themselves to the authorized use of the words Goupil & Co., holding themselves out merely as *successors* during

the past thirty years, there would have been no occasion for this suit. The reputation of the successors would gradually have become substituted for that of the predecessors; the transfer of the good will, or 'probably that the old customers will resort to the old place,' would have been complete, and the new body of customers would have had no interest except in the new firm."

In *Raymond* v. *Royal Baking Powder Co.*, 29 C. C. A. 245, 249, the Court said:

"The label falsely purported to be printed by George Barnwood & Co., Printers, 402 Oxford St. It sought to convey the impression that the product was an imported article made in London. It was adapted and intended to deceive the public. Under such circumstances no right arises which the law will countenance—*Courts will not lend their aid to protect imposition.*"

In *Hegeman & Co.* v. *Hegeman*, 8 Daly, 3, 22.

"The purchaser from the assignee of Hegeman & Co. of the trade-mark, good will, etc., sold to a corporation organized under name of Hegeman & Co. all the rights acquired, and this corporation advertised its business under the style of Hegeman & Co. and issued a circular stating that the concern of H. & Co. had *resumed business* and generally conducted its business as if it were a continuation of the old firm; *Held:* That the purchase from the assignee did not confer on the purchaser the right to do business under the name of Hegeman & Co., but only as the *successor* of that firm, and that the manner in which the corporation was doing business was a fraud on the public and that as long as it continued so to do, a court of equity would not

enforce against infringers thereof its rights to the good will and trade-mark of the old firm of Hegeman & Co." (Syl. 3, 22).

See also

Krauss v. *Peebles' Sons Co.*, 58 Fed. 587.
Buckland v. *Rice*, 40 O. S. 526.
Connell v. *Read*, 128 Mass. 477.
Siegert v. *Abbott*, 61 Md. 276.
Prince Mfg. Co. vs. *Prince's Metallic Paint Co.*, 135 N. Y. 24.

We believe the court erred in not sustaining the special defense and dismissing plaintiff's bill on the ground that it was imposing on the public, and trying to induce it to believe that the old Hall's Safe & Lock Co. was still engaged in business, and we believe the second assignment of error (supra, p. 14) is well founded.

Complainant should be enjoined from doing business as Hall's Safe & Lock Co. and from advertising or representing in any manner that Hall's Safe & Lock Co. is still in existence.

The Respondent, The Hall's Safe Co., filed a cross-bill based on the same grounds as the special defense and also on a flagrant abuse of the mail privileges which plaintiff has been enjoying at the expense of the defendant company.

Plaintiff's abuse of Mail Privileges.

When Herring-Hall-Marvin Co. succeeded to the business of Hall's Safe & Lock Co., it continued to receive all mail addressed to that company as a matter

of course. It continued to receive it after the organization of The Hall's Safe Co., and after its own removal to Hamilton, without protest on the part of the latter. The same was true of the Receivers of H.-H.-M. Co. In the main, these acted fairly, and defendants received the mail which "*plainly belonged to them*," with a reasonable degree of promptness. The annoyance of having several letters opened every week and read by others before receiving them, themselves, was borne with patience as, with each succeeding year, it was believed that mail addressed to "Hall's Safe & Lock Co.," which ceased to do business in May, 1892, would become less and less, and gradually there would be no ground for withholding any mail. The percentage of all letters addressed "Hall's Safe & Lock Co." which "*plainly belonged*" to defendants was steadily increasing and the total of letters so addressed was constantly falling off (Pullen pp. 63, 64, 72). This would have continued but for the course recently adopted by plaintiff, in advertising "Hall's Safe & Lock Co." in city and business directories and in magazines and newspapers, as if it were still in existence, in using envelopes conspicuously marked "HALL'S SAFE & LOCK CO., CINCINNATI, OHIO," and in putting up prominent signs, "HALL'S SAFE & LOCK CO." over its stores and branches in the various cities, indicating to the passer-by and casual observer that "Hall's Safe & Lock Co." was still in existence and doing business at such places. (E.C. Hall pp. 234, 235). These are calculated to mislead the public; are false, in fact, and must necessarily result in more or less confusion. It is apparent that such artificial stimulus has had

more or less effect in keeping up the volume of mail wrongly addressed "Halls Safe & Lock Co.," whether intended for plaintiff or for the defendant company. It ought to be stopped.

As plaintiff came into existence four years after the defendant company, it ought to have some regard for its rights, and not initiate a course of conduct which was never resorted to by its predecessors, or the receivers.

It would be stopped at once, if plaintiff were enjoined from receiving any mail addressed to Hall's Safe & Lock Co., Cincinnati, O., and was limited to mail addressed to "*Successor of* Hall's Safe & Lock Co." The volume of letters so addressed would fall off at once, if plaintiff was enjoined from holding itself out to the public as "Halls Safe & Lock Co.," or from falsely representing that "Hall's Safe & Lock Co." was still in existence. We think equity demands that plaintiff should be restrained from keeping up this unfair competition, and, incidentally, opening several hundred letters a year *plainly belonging* to defendants. Mr. Pullen testified, "unless there was some direct conclusion that the letter was intended for the Hall's Safe Co., it was retained." (Pullen, pp. 71, 72).

Mr. W. H. Hall testifies that the only letters which ever reached The Hall's Safe Co., through the Herring-Hall-Marvin Safe Co., were letters containing remittances, or bills, or relating to orders already entered, about which there could be no possible mistake, and that never to his knowledge did he receive a letter from that company making original inquiries or offers of new business. (W. H. Hall, pp. 164, 165).

Many letters containing remittances are delayed from three to ten days. Some letters are withheld entirely, and some, after being held for several days, are returned to the writer, instead of being forwarded to defendants. A flagrant instance of this kind occured just before the testimony of W. H. Hall was taken in this case, and, as a result, defendants were prevented from bidding on specifications of work for the "Produce Exchange Safe Deposit and Storage Co.," of New York City (Deft's Exs. Nos. 350 to 385, pp. 379 to 398; W. H. Hall, pp. 164, 165, 168, 169; E. C. Hall, pp. 234, 235).

It is for the interests of the public, as well as of defendants, that this abuse should be stopped. Was it for the advantage of the Produce Exchange S. D., etc., Co., that The Hall's Safe Co. should be deprived, by a trick, of an opportunity to bid on its work? The plaintiff, having demonstrated sufficiently that it can not be trusted to deal fairly in such matters, should either be deprived entirely of the privilege of receiving and opening letters not plainly addressed to it or to the "Successor of Hall's Safe & Lock Co.," or should be regulated in some efficient way by the Court of Equity to which it appeals.

In *Dr. D. Kennedy Co.* v. *Kennedy*, 165 N. Y. 353, where Dr. David Kennedy had conveyed to the company "the sole, absolute and only right to use the names Dr. David Kennedy, Rondont, N. Y." etc. the Court appointed a referee to open and distribute the mail, after Dr. Kennedy left the company and resumed his

practice as, in the state of feeling that existed, neither could be depended on to do exact justice to the other.

The cross-bill prayed among other things that plaintiff be enjoined:

> "from carrying on the business of manufacturing and selling fire or burglar proof safes, vaults, etc., under the name of "Hall Safe & Lock Co.," "Hall's Safe & Lock Works," or under any other name than the name whereby it is authorized by its articles of incorporation to contract and sue and to be sued, to-wit, "Herring-Hall-Marvin Safe Co.," and from inserting the name "Hall's Safe & Lock Co." in any directories or publications, or in advertisements, and from using said name on its signs, stationery and envelopes, * * * and from doing any act tending to * * * lead the public to suppose that Hall's Safe & Lock Co. is still in existence and manufacturing safes."

We do not, now, object to complainants' advertising and holding itself out as the *successor to* Hall's Safe & Lock Co. for that would advise the public of the fact that the old company is no longer in business and the complainant would obtain just such credit as belongs to a *successor* and no more. The Court below dismissed the cross-bill on the theory that complainant acquired the right to use the name "Hall's Safe & Lock Co.," in its business. The Circuit Court of Appeals could not go so far, but still concurred in the dismissal of the cross-bill. Judge Severens, in his opinion, says:

> "In respect to the matter of the cross-bill, we think there is no substantial ground for complaint. For the reasons stated in the preceding opinion we

> are not prepared to say that the complainant in the original bill has exceeded its rights in endeavoring to maintain the benefits of its purchase from the Hall's Safe & Lock Co." (Record, p. 516).

The effect of this is to sanction the use, on its envelopes and stationery of the name "Hall's Safe & Lock Co., Cincinnati" without any explanation whatever as to complainant's relation to it; to sanction the insertion in City directories of the name, "Hall's Safe & Lock Co.," without any explanation, as if it were still in existence and doing business at the address given; and to sanction such advertisements as those published in the Baltimore papers (Supra, p. 95). In fact, there is no limit to the extent to which complainant may go, in holding itself out as Hall's Safe & Lock Co., and in trying to persuade the public that that company is still in existence.

We submit that this is in direct violation of the contract entered into between the original parties, contrary to fact, and should not be tolerated, and that the third assigment of error (Supra, p. 14) is well taken.

SUMMARY.

By agreement of both parties to the sale of May, 1892, Hall's Safe & Lock Co. ceased to do business, went into liquidation and was dissolved. Herring-Hall-Marvin Co. acquired its property, succeeded to its business, but did not acquire its franchise, stock or the right to use its name. Herring-Hall-Marvin Co. had the right to advertise and hold itself out as *successor to* Hall's Safe & Lock Co., but no right to represent itself as *being* Hall's Safe & Lock Co., or to represent, contrary to the fact, that Hall's Safe & Lock Co. was still in existence.

Complainant acquired no greater rights than those secured under the contract and exercised by the original Herring-Hall-Marvin Co.

Respondents had the right to incorporate as The Hall's Safe Co. and to do business in that name; but no right to advertise and hold themselves out as *successors* to the old Hall's Safe & Lock Co., or as *being* Hall's Safe & Lock Company.

The Hall's Safe Co. has the right to manufacture, advertise and sell "Hall's Safes," but no right to represent that such Safes are made by Herring-Hall-Marvin Safe Co., or its predecessors in business.

There being no evidence that The Hall's Safe Co. ever has advertised and held itself out as Hall's Safe & Lock Co. or its successor in business, or ever has sold "Hall's Safes" as the product of complainant or its predecessors, but has on the contrary, taken reasonable precautions to distinguish its business and product from

that of complainant, the bill of complaint should be dismissed.

It appearing from the evidence that complainant has been guilty of practices and advertising calculated to deceive the public, it should be enjoined from holding itself out as Hall's Safe & Lock Co., from doing business or appearing to do business in that name and from representing that Hall's Safe & Lock Co. is still in existence and engaged in business, anywhere.

All mail addressed to "Hall Bros.," "Hall Bros. Safe Co.," "The Hall Company," "The Hall Boys," "Joseph L. Hall's Sons," or to any similar name, Cincinnati, O., should be delivered to respondents by the postmaster at Cincinnati, O. All mail addressed "Hall's Safe & Lock Co., Cincinnati, O." without any indication that it is intended for the *successor* of that Company should be delivered to a referee to be appointed by the Court below, to be opened by him and sent promptly to the party to whom it properly belongs.

Respectfully submitted:

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